

THE NATIONAL ARCHIVES  
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OF THE UNITED STATES

# FEDERAL REGISTER

VOLUME I 1934 NUMBER 42

*Washington, Tuesday, May 12, 1936*

**PRESIDENT OF THE UNITED STATES.**

**EXECUTIVE ORDER**

**DISSOLUTION OF SECOND EXPORT-IMPORT BANK OF  
WASHINGTON, D. C.**

WHEREAS Section 9 of the act of January 31, 1935, c. 2, 49 Stat. 1, 4, provides, in part, that the Export-Import Bank of Washington and the Second Export-Import Bank of Washington, D. C., banking corporations organized under the laws of the District of Columbia as agencies of the United States, pursuant to Executive orders of the President, shall continue to be agencies of the United States until June 16, 1937, or such earlier date as may be fixed by the President by Executive order; and

WHEREAS the Second Export-Import Bank of Washington, D. C., has sold and transferred to the Export-Import Bank of Washington all of its existing commitments and has discontinued its active operation:

NOW, THEREFORE, by virtue of and pursuant to the authority vested in me by the said Section 9 of the act of January 31, 1935, it is hereby ordered that on June 30, 1936, the Second Export-Import Bank of Washington, D. C., shall cease to be an agency of the United States; and it is further ordered that the stockholders of the said Second Export-Import Bank of Washington, D. C., shall proceed as rapidly as possible to wind up and liquidate all of its remaining business, property, and affairs, and effect dissolution thereof in accordance with the laws of the District of Columbia.

Upon such final winding up, liquidation, and dissolution, all of the capital stock of the said Second Export-Import Bank of Washington, D. C., shall be surrendered for retirement and cancellation upon receiving, for the account of the United States and in full payment and liquidation of the said stock when surrendered for cancellation, all of the remaining funds of the said Second Export-Import Bank of Washington, D. C. All such funds, when received, shall be covered into the Treasury of the United States as miscellaneous receipts. The records, and containers therefor, of the Second Export-Import Bank of Washington, D. C., shall be transferred and delivered to, and preserved by, the Export-Import Bank of Washington.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,  
May 7, 1936.

[No. 7365]

[Filed, May 8, 1936; 3:03 p. m.]

**TREASURY DEPARTMENT.**

**Bureau of Internal Revenue.**

[T. D. 4641]

**REGULATIONS 13 AMENDED**

*To District Supervisors, Internal Revenue, and Others Concerned:*

Article 1, Paragraph (e), and Appendix B, of Regulations 13, issued under the provisions of Joint Resolution approved June 18, 1934, entitled "Joint Resolution to Protect the Revenue by Regulation of the Traffic in Containers of Distilled Spirits", are hereby amended to read as follows:

Article 1 (e) "Liquor bottle" shall mean any glass container for packaging distilled spirits for sale at retail, of a capacity of one-half pint or greater, conforming to these regulations and to the regulations prescribed by the Federal Alcohol Administration, the regulations in that regard promulgated by the Federal Alcohol Administration being hereby adopted as a part of these regulations.

**APPENDIX B**

**DIGEST OF CERTAIN PORTIONS OF REGULATIONS OF THE FEDERAL ALCOHOL  
ADMINISTRATION RELATING TO STANDARD BOTTLES FOR DISTILLED SPIRITS**

1. The standard bottles prescribed by regulations of the Federal Alcohol Administration are bottles of such size that they hold distilled spirits in an amount equal to one of the standards of fill set forth in paragraph 2, with a head space not in excess of 8 per centum of the total capacity of the bottle after closure.

2. The standards of fill for distilled spirits in liquor bottles are as follows, subject to the tolerances set forth in paragraph 3 (fills in amounts less than  $\frac{1}{2}$  pints omitted):

For all distilled spirits, whether domestically manufactured, domestically bottled, or imported:

1 gallon	$\frac{1}{2}$ quart
$\frac{1}{2}$ gallon	1 pint
1 quart	$\frac{1}{2}$ pint

In addition, for Scotch and Irish whisky and Scotch and Irish type whisky; and for brandy and rum:

$\frac{1}{4}$  pint

3. The following tolerances shall be allowed:

(a) Discrepancies due exclusively to errors in measuring which occur in filling conducted in compliance with good commercial practice.

(b) Discrepancies due exclusively to differences in the capacity of bottles, resulting solely from unavoidable difficulties in manufacturing such bottles so as to be of uniform capacity: *Provided*, That no greater tolerance shall be allowed in case of bottles which, because of their design, cannot be made of approximately uniform capacity than is allowed in case of bottles which can be manufactured so as to be of approximately uniform capacity.

(c) Discrepancies in measure due exclusively to differences in atmospheric conditions in various places and which unavoidably result from the ordinary and customary exposure of alcoholic beverages in bottles to evaporation. The reasonableness of discrepancies under this paragraph shall be determined on the facts in each case.

4. Distilled spirits domestically bottled prior to January 1, 1935, and imported distilled spirits entered in customs bond in bottles prior to March 1, 1935, shall be regarded as being in conformity with the prescribed standards of fill (1) if the bottle, or the label on the bottle, contains a conspicuous statement of the net con-



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THE NATIONAL ARCHIVES  
OF THE UNITED STATES  
1934

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tents thereof, and (2) if the actual capacity of the bottle is not substantially less than the capacity it appears to have upon visual examination under ordinary conditions of purchase or use.

5. As used with reference to standard bottles, the term "gallon" means United States gallon of 231 cubic inches of alcoholic beverages at 68° F. (20° C.), and all other units of liquid measure are subdivisions of the gallon as so defined.

6. The standards of fill herein set forth do not apply to the following:

(a) Distilled spirits imported as vintage spirits under permit issued by a District Supervisor of the Alcohol Tax Unit of the

Bureau of Internal Revenue pursuant to Regulations 13 (Liquor Bottle Regulations) issued by the Secretary of the Treasury.

(b) Cordials and liqueurs, and cocktails, highballs, gin fizzes, bitters, and such other specialties as are specified from time to time by the Administrator.

7. Copies of the regulations of the Federal Alcohol Administration relating to standards of fill for bottled distilled spirits (Labeling and Advertising of Distilled Spirits, Regulations No. 5) may be obtained from the Federal Alcohol Administration, Department of Justice Building, Washington, D. C.

8. This Treasury Decision shall be in force and effect on and after August 15, 1936.

[SEAL]

WAYNE C. TAYLOR,  
*Acting Secretary of the Treasury.*

Approved: May 6, 1936.

[Filed, May 9, 1936; 12:35 p. m.]

## DEPARTMENT OF THE INTERIOR.

### General Land Office.

#### CIRCULAR 1386.—OIL AND GAS

REGULATIONS UNDER SECTIONS 13, 14, 17, AND 28 OF THE ACT OF FEBRUARY 25, 1920, AS AMENDED BY THE ACT OF AUGUST 21, 1935

MAY 7, 1936.

#### Registers, U. S. Land Offices:

Sims: By the act approved August 21, 1935 (49 Stat. 674), sections 13, 14, 17, and 28 of the leasing act of February 25, 1920 (41 Stat. 437), were amended. A copy of the act is appended hereto.<sup>1</sup>

This act changes materially the system of disposing of the oil and gas resources on the public domain in the United States and Alaska, chiefly, by providing for the issuance of leases instead of prospecting permits for unproven oil and gas lands.

In general, the amended act authorizes and directs the Secretary of the Interior to issue oil and gas prospecting permits on applications filed 90 days or more prior to its approval. Applications for prospecting permits filed after 90 days prior to the date of the act shall be considered as applications for leases. All lands subject to disposition under the leasing act which are known or believed to contain oil and gas deposits may be leased in units of not exceeding 640 acres to the highest responsible qualified bidder by competitive bidding under general regulations, except that the first qualified applicant for lease of lands not within a known geologic structure of a producing oil or gas field and applicants for permits whose applications were filed after 90 days prior to the date of the act are entitled to preference rights over others to lease such lands without competitive bidding. Rights to leases in case of a discovery under existing permits and permits which may issue under the pending applications are not changed or affected. The holder of any permit in good standing may at any time prior to termination thereof exchange said permit for a lease without proof of discovery. Leases for terms of five and ten years and so long thereafter as oil or gas is produced in paying quantities are authorized at a royalty of not less than 12½ per centum of the amount of production and an annual rental charge of not less than 25 cents per acre. Rights of way granted under section 28 shall be upon the additional condition that the grantee accept, convey, transport, or purchase without discrimination oil or natural gas produced from Government lands in the vicinity of the pipe line.

The following rules and regulations are prescribed for the administration of the amended sections of the act, existing oil and gas regulations to continue in force except as modified by the amendatory act and by these regulations:

#### Prospecting Permits

1. *Applications for permits.*—Prospecting permits are authorized by section 13 as amended only in cases where the applications were filed 90 days or more prior to the date of the amendatory act. Accordingly, the pending applications

<sup>1</sup> Text of Act not printed herein, see 49 Stat. 674.



for permits filed on or prior to May 23, 1935, will be considered and where found allowable, permits will be granted for periods of two years, but in no case beyond December 31, 1938, except that in Alaska permits will be granted for the full four-year periods. Applications for permits filed after May 23, 1935, and prior to August 21, 1935, will be considered as applications for leases pursuant to the last two provisos to section 13 of the amendatory act of August 21, 1935. Any applications for permits filed on or after August 21, 1935, will be considered as regular applications for leases under section 17, as amended.

2. *Extension of permits.*—Outstanding permits heretofore extended by the Secretary of the Interior and which are not subject to cancellation for violation of the law or operating regulations are extended by the act to December 31, 1937, subject to the applicable conditions of such prior extensions, and such permits may be further extended by the Secretary of the Interior for an additional period of not exceeding one year.

Permits which have not been extended or which may be issued under the pending applications may be extended by the Secretary of the Interior for not exceeding two years, but not beyond December 31, 1938, where he shall find that the permittee has been unable, with the exercise of diligence, to test the lands in the time granted by the permit, the extensions to be upon such conditions as the Secretary may prescribe.

No extension of any permit may be made beyond December 31, 1938.

Any applications for extension of time should contain full and definite information regarding work done in compliance with the terms of the permit and money expended for developing the permit area and for reliable geological surveys of the lands involved. The showing must be by affidavit and state in detail the amounts and dates of such expenditures, purposes for which made, to whom the payments were made, and if the permittee has secured a geological survey of the land, copies of the reports and maps thereof should be filed. Any other facts which the permittee believes will show equities in support of his application should be included in the showing.

3. *Reward for discovery.*—Upon discovery of valuable deposits of oil or gas within the permit area during the life of the permit, the permittee will be entitled to lease the lands under the original provisions of section 14 (see Circular 1094, 51 L. D. 597), no change being made in such rights by the amendatory act, except that in case a permit is issued upon any structure after discovery based upon an application filed prior to discovery the royalty to be paid under the preferential or earned lease shall be 10 per centum instead of 5 per centum in amount or value of the production. Applications for leases based on discovery should conform to the instructions of October 1, 1926, Circular 823 (51 L. D. 600).

4. *Exchange of permits for leases.*—Any person holding a prospecting permit not subject to cancellation for violation of the law or operating regulations, and otherwise in good standing, has the right, prior to the termination of the permit, to exchange the same for a lease to the area described therein, without proof of discovery, at a royalty rate of not less than 12½ per centum of the amount or value of the production, such lease not to be subject to the acreage limitation of the law until one year after the discovery of oil or gas thereon, or to payment of rental within the first two lease years, unless valuable deposits of oil or gas are sooner discovered within the boundaries of the lease.

If the permits are in good standing, applications for such exchanges may be made at any time by the parties in interest, as shown by the records of the Land Department. No formal application will be required, but such application should be addressed to the Secretary of the Interior, and filed with the Register or the Commissioner of the General Land Office. If the Secretary of the Interior approves the exchange, lease forms will be transmitted to the permittee who will be allowed 30 days to execute and file the lease, and furnish such bond as may be required.

## Oil and Gas Leases

5. *Designation and offer of lands for lease.*—Pursuant to the provisions of section 17 of the act, as amended, the unappropriated lands and deposits subject to disposition under the act will be divided into leasing blocks or tracts in units of not exceeding 640 acres each, which shall be as nearly compact in form as possible, and offered for lease at a stated royalty and rental by competitive bidding to the highest responsible qualified bidder.

6. *Notice of lease offer.*—Notice of the offer of lands for lease will be given by publication for a period of 30 days in a newspaper of general circulation to be designated by the Commissioner of the General Land Office in the county in which the lands or deposits are situated, or in such other paper or papers as the Secretary of the Interior may direct. Such notice will set the day and hour on which the offer will be made at public auction at the United States land office of the district in which the lands are situated, or at such other place as may be fixed in the notice, to the qualified bidder offering the highest bonus (not less than the minimum bonus fixed in the notice) for the lease at the stated rental and royalty. Copy of the notice will be posted in the district land office during the period of publication. This notice will be published at the expense of the Government. All bidders at any such auction are warned against violation of the provisions of section 59 of the United States Criminal Code, approved March 4, 1909, prohibiting unlawful combination or intimidation of bidders.

7. *Auction of lease.*—At the time fixed in the notice the register will, by public auction, offer the land for lease on the terms and conditions fixed in the notice to the qualified bidder of the highest amount offered as a bonus for the privilege of leasing the land. The successful bidder must deposit with the register on the day of sale certified check on a solvent bank, or cash, for one-fifth of the amount bid by him, which payment the register will credit to "Trust funds—Unearned moneys." At the time of such payment the successful bidder will also file the requisite showing of his qualifications to receive a lease, which should include the following:

(a) Proof of citizenship; by affidavit of such fact if native born or, if naturalized, affidavit stating date of naturalization, court in which naturalized, and number of certificate, if known; if a corporation, by certified copy of the articles of incorporation and a showing as to the residence and citizenship of its stockholders.

(b) The affidavit of the bidder or the affidavit of one of the officers of a corporate bidder, stating in full the interests, direct or indirect, held in permits and leases, and applications therefor, in the same State, identifying the records wherein such interests may be found.

The register will thereupon transmit such showing, together with a report of the proceedings had at the auction by a special letter to the Commissioner of the General Land Office.

8. *Award of lease.*—Upon receipt of the report of the auction from the register, the Secretary of the Interior will take action thereon and either award the lease to the successful bidder or reject same, notice of which will be forthwith transmitted to the bidder through the local office. If the lease shall be awarded, the notice will be accompanied by copies of the lease for execution by the lessee who shall within 30 days from receipt of such notice, execute said lease in triplicate, and pay to the register the balance of the bonus bid by him, together with the first required rental, and also caused to be filed any bond required in connection with the lease. If the bid be rejected the register will return by his official check the deposit made at the auction. In case of the award of a lease and failure on the part of the bidder to execute same and otherwise comply with the applicable regulations, the deposit will be considered forfeited and disposed of as other receipts under this act.

If two or more units are awarded to any bidder such units, not exceeding in area the maximum allowed by law, may be included in a single lease if circumstances warrant.



### Leases Without Competitive Bidding

9. *Preference right to lease.*—A preference right over others to a lease without competitive bidding is granted under section 17, as amended, to—

(a) The person first making application for the lease of any lands not within any known geologic structure of a producing oil or gas field who is qualified to hold a lease under the act.

(b) Applicants for permits whose applications were filed after 90 days prior to the effective date of the amendatory act.

10. *Applications for leases.*—Applications for leases of lands not within the known geologic structure of a producing oil or gas field may be filed in the proper district land office, or in States in which there is no district land office, in the General Land Office, addressed to the Commissioner of the General Land Office. Such applications when filed will be promptly noted of record, the date and exact hour of filing noted thereon, and where filed in the district land office, promptly forwarded to the General Land Office with a report as to the status and conflicts. No specific form of application is required and no blanks will be furnished, but such application must be under oath of the applicant, or if sworn to by his attorney in fact, the power of attorney and the applicant's own affidavit as to his citizenship and holdings must be attached thereto.

The application must cover in substance the following points:

- (a) The applicant's name and address.
- (b) Statement as to citizenship; in case of an individual, whether native born or naturalized and, if naturalized, date of naturalization, court in which naturalized, and number of certificate if known; if a corporation, by certified copy of the articles of incorporation and a showing as to residence and citizenship of the stockholders.
- (c) A statement of the interests, direct and indirect, held by the applicant in permits and leases, and applications therefor, in the same State, identifying the records wherein such interests may be found.
- (d) Description of the lands for which a lease is desired, which may not exceed 2,560 acres, as nearly compact in form as possible and should involve only one geologic structure, describing the lands by legal subdivisions if surveyed or, if not surveyed, by the approximate subdivisions and metes and bounds description connected with a corner of the public surveys by courses and distances.
- (e) A statement that to the best of applicant's knowledge and belief the lands applied for are not within the known geologic structure of any producing oil or gas field and are believed to contain oil and gas.
- (f) The names and addresses of three references as to the applicant's reputation and business standing.
- (g) A statement that the applicant is ready to pay in advance the annual rental under the lease, and to furnish such bond or bonds as may be required under the lease or regulations.

Payment of a bonus for leases made without competitive bidding will not be required for the present.

11. *Leases based on permit applications.*—Applications for permits filed after May 23, 1935, are considered as applications for leases under section 17 of the amended act. Such leases are subject to the acreage limitations of section 27 of the act and, if otherwise regular, will be issued without bonus requirement at the royalty rate provided in section 17 hereof and at a rental as provided in section 15 hereof.

12. *Conflicting applications for leases.*—Should more than one application for lease of the same lands be filed, the applications will be considered in the order filed and a lease granted to the qualified applicant first in point of time in filing application. If two or more applications are filed simultaneously, the right to lease will be determined pursuant to existing regulations governing simultaneous filings of applications for oil and gas prospecting permits (see Circular 1320, 54 I. D. 400).

13. *Form of lease.*—The lease referred to in the preceding sections will be in form and substance substantially as follows:

#### DEPARTMENT OF THE INTERIOR

##### GENERAL LAND OFFICE

Serial \_\_\_\_\_

Lease of Oil and Gas Lands Under the Act of February 25, 1920, as amended.

This indenture of lease, entered into, in triplicate, as of the \_\_\_\_\_ day of \_\_\_\_\_, by and between the United States of America, party of the first part, hereinafter called the lessor, by the Secretary of the Interior, and \_\_\_\_\_

party of the second part, hereinafter called the lessee, under, pursuant, and subject to the terms and provisions of the act of Congress approved February 25, 1920 (41 Stat. 437), entitled "An Act to Promote the Mining of Coal, Phosphate, Oil, Oil Shale, Gas, and Sodium on the Public Domain", as amended, hereinafter referred to as the Act, which is made a part hereof, Witnesseth:

SEC. 1. *Rights of Lessee.*—That the lessor in consideration of rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, does hereby grant and lease to the lessee the exclusive right and privilege to drill for, mine, extract, remove, and dispose of all the oil and gas deposits in or under the following-described tracts of land situated in the \_\_\_\_\_ field \_\_\_\_\_

and more particularly described as follows:

containing \_\_\_\_\_ acres, more or less, together with the right to construct and maintain thereupon all works, buildings, plants, waterways, roads, telegraph or telephone lines, pipe lines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period of \_\_\_\_\_ years, and so long thereafter as oil or gas is produced in paying quantities.

SEC. 2. In consideration of the foregoing, the lessee hereby agrees: (a) *Bond.*—To furnish prior to beginning of drilling operations and maintain at all times thereafter as required by the lessor a bond in the penal sum of \$5,000 with approved corporate surety, or with deposit of United States bonds as surety therefor, conditioned upon compliance with the terms of this lease; and, until such bond is furnished, to submit and maintain a bond in the sum of \$1,000 with acceptable surety, similarly conditioned.

(b) Within 30 days of demand, to subscribe to and to operate within such reasonable cooperative or unit plan for the development and operation of the area, field, or pool embracing the lands included herein as the Secretary of the Interior may determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States.

(c) *Wells.*—(1) To drill and produce all wells necessary to protect the leased land from drainage by wells on lands not the property of the lessor or lands of the United States leased at a lower royalty rate, or in lieu of any part of such drilling and production, with the consent of the Secretary of the Interior, to compensate the lessor in full each month for the estimated loss of royalty through drainage in the amount determined under instructions of said Secretary; (2) at the election of the lessee, to drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, provided such system is authorized and sanctioned by applicable law or by the Secretary of the Interior; and (3) promptly after due notice in writing, to drill and produce such other wells as the Secretary of the Interior may require to insure reasonable diligence in the development and operation of the property.

(d) *Rentals.*—To pay the lessor in advance for each acre or fraction thereof, a rental of 50 cents for the first lease year beginning on the first day of the month in which the lease issues, and a rental of 25 cents for each subsequent lease year beginning prior to discovery of a valuable deposit of oil or gas within the limits of the geologic structure on which all or part of the leased lands are situated, and one dollar for each lease year beginning on or after such discovery, the rental so paid for any one lease year to be credited on the royalty for that year: *Provided*, That if this lease is granted in exchange for an oil and gas prospecting permit or pursuant to an application for a prospecting permit filed after May 23, 1935, no rental shall be payable for the first two lease years unless valuable deposits of oil or gas are sooner discovered within the boundaries of the lease, but a rental of one dollar shall be payable, as above provided, for each lease year beginning on or after such discovery; and *Provided further*, That when the Secretary of the Interior shall direct or shall assent to suspension of operations or of production of oil or gas under this lease, after a valuable deposit of oil or gas shall have been discovered within the lands leased, any payment of acreage rental prescribed herein likewise shall be suspended during such period of suspension of all operations and productions; and this lease shall not be deemed to expire by reason of suspension of prospecting, drilling, or production, pursuant to any order or consent of the said Secretary.

(e) *Royalties.*—To pay the lessor royalties, as follows, on the amount or value of all production from the leased lands (except



that portion thereof used for production purposes on said lands or unavoidably lost):

(1) When the price of oil used in computing royalty value is \$1.00 or more per barrel, the per centum of royalty shall be as follows:

When the average production for the calendar month in barrels per well per day is—

Not over 50, the royalty shall be 12.5 percent;  
 Over 50 but not over 60, the royalty shall be 13 percent;  
 Over 60 but not over 70, the royalty shall be 14 percent;  
 Over 70 but not over 80, the royalty shall be 15 percent;  
 Over 80 but not over 90, the royalty shall be 16 percent;  
 Over 90 but not over 110, the royalty shall be 17 percent;  
 Over 110 but not over 130, the royalty shall be 18 percent;  
 Over 130 but not over 150, the royalty shall be 19 percent;  
 Over 150 but not over 200, the royalty shall be 20 percent;  
 Over 200 but not over 250, the royalty shall be 21 percent;  
 Over 250 but not over 300, the royalty shall be 22 percent;  
 Over 300 but not over 350, the royalty shall be 23 percent;  
 Over 350 but not over 400, the royalty shall be 24 percent;  
 Over 400 but not over 450, the royalty shall be 25 percent;  
 Over 450 but not over 500, the royalty shall be 26 percent;  
 Over 500 but not over 750, the royalty shall be 27 percent;  
 Over 750 but not over 1,000, the royalty shall be 28 percent;  
 Over 1,000 but not over 1,250, the royalty shall be 29 percent;  
 Over 1,250 but not over 1,500, the royalty shall be 30 percent;  
 Over 1,500 but not over 2,000, the royalty shall be 31 percent;  
 Over 2,000 the royalty shall be 32 percent.

(2) When the price of oil used in computing royalty value is less than \$1.00 per barrel, the per centum of royalty shall be the foregoing multiplied by the ratio of said price to a price of \$1.00 per barrel, provided, however, that the per centum of royalty shall never be less than 12.5.

(3) If the United States shall take its royalty in oil, the price received by the lessee, as well as that received by the lessor shall be considered in determining the price to govern the per centum of royalty, unless both prices are \$1.00 or more per barrel.

(4) On gas, including inflammable gas, helium, carbon dioxide, and all other natural gases and mixtures thereof, and on natural or casing-head gasoline and other liquid products obtained from gas:

When the average production of gas per well per day for the calendar month does not exceed 5,000,000 cubic feet, 12½ percent; and when said production of gas exceeds 5,000,000 cubic feet, 16½ percent of the amount or value of the gas and liquid products produced, said amount or value of such liquid products to be net after an allowance for the cost of manufacture; Provided that the allowance for cost of manufacture may exceed two-thirds of the amount or value of any product only on approval by the Secretary of the Interior, and that said value of gas and of liquid products shall be as determined by said Secretary.

The average production per well per day for oil and for gas shall be determined under rules and regulations approved by the Secretary of the Interior.

(5) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum prices for purposes of computing royalty in value on any or all oil, gas, natural gasoline, and other liquid products obtained from gas; and that in no case shall the price so established be less than the estimated reasonable value of the product, due consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field, to the price received by the lessee, to posted prices and to other relevant matters.

(6) When paid in value, such royalties on production shall be due and payable monthly on the last day of the calendar month next following the calendar month in which produced. When paid in amount of production, such royalty products shall be delivered in merchantable condition on the premises where produced without cost to lessor, unless otherwise agreed to by the parties hereto, at such times, and in such tanks provided by the lessee as reasonably may be required by the lessor: *Provided*, That the lessee shall not be required to hold such royalty oil or other liquid products in storage beyond the last day of the calendar month next following the calendar month in which produced: *And provided further*, That the lessee shall be in no manner responsible or held liable for the loss or destruction of royalty oil or other liquid products in storage from causes over which the lessee has no control.

(7) Royalties, whether in amount or value of production, shall be subject to reduction whenever the average daily production of the oil wells on the entire leasehold or on any tract or portion thereof segregated for royalty purposes shall not exceed ten (10) barrels per well per day, or where the cost of production of oil or gas is such as to render further production economically impracticable, if in the judgment of the Secretary of the Interior the wells can not be successfully operated upon the royalties fixed herein.

(f) *Contracts for disposal of products.*—To file with the Federal oil and gas supervisor or such other officer as the Secretary of the Interior may designate, copies of all contracts immediately upon execution thereof, and full information as to all other arrangements for the disposal of oil, gas, natural gasoline, and other products produced hereunder (except products used for production purposes on the leased lands or unavoidably lost), and not to sell or otherwise dispose of the products of the land leased except in accordance with a contract or other arrangement first approved by said officer, such approval to be subject to review by the Secretary

of the Interior but to be effective unless and until revoked by said Secretary or his said subordinate.

(g) *Monthly statements.*—To furnish monthly statements in detail at such time and in such form as may be prescribed by the lessor, showing the amount and quality of all oil, gas, natural gasoline, and other substances produced during the preceding calendar month and the amounts thereof used for production purposes on the leased lands or unavoidably lost, and to furnish current records and monthly statements of the amounts thereof sold or otherwise disposed of and the proceeds therefrom.

(h) *Payments.*—Unless otherwise directed by the Secretary of the Interior, to make rental, royalty, or other payments to the lessor to the order of the Commissioner, General Land Office, such payments to be tendered to the Federal oil and gas supervisor of the district in which the leased land is situated.

(i) *Inspection.*—To keep open at all reasonable times for the inspection of any duly authorized officer of the Department, the leased premises and all wells, improvements, machinery, and fixtures thereon or connected therewith and all books, accounts, maps, and records relative to operations and surveys or investigations on the leased lands or under the lease.

(j) *Plats and reports.*—To furnish at such times and in the manner and form prescribed by or on behalf of the lessor, a plat showing all development work and improvements on the leased lands, and other related information, with a report as to all buildings, structures, or other works placed in or upon said leased lands; and to report in detail when required as to the stock holders, investment, depreciation, and cost of operation, and the amount, nature, and quality of products sold, and the amount received therefor.

(k) *Well Records.*—To keep a daily drilling record, a log, and complete information on all well surveys in form acceptable to or prescribed by or on behalf of the lessor of all the wells drilled on the leased lands, and an acceptable record of all subsurface investigations affecting said lands, which log, information, and records, or copies thereof, shall be furnished to the lessor as requested or required.

(l) *Diligence—Prevention of waste—Health and safety of workmen.*—To exercise reasonable diligence in drilling and producing the wells herein provided for unless consent to suspend operations temporarily is granted by the Secretary of the Interior; to carry on all operations hereunder in a good and workmanlike manner, in accordance with approved methods and practice as provided in the operating regulations, having due regard for the prevention of waste of oil or gas developed or damage to deposits or formations containing oil, gas, or water or to coal measures or other mineral deposits, for conservation of gas energy, for the preservation and conservation of the property for future productive operations, and for the health and safety of workmen and employees; to plug properly and effectively all wells before abandoning the same; not to drill any well within 200 feet of any of the outer boundaries of the lands covered hereby, unless the adjoining lands have been patented or the title thereto otherwise vested in private owners; to carry out at expense of the lessee all reasonable orders of the lessor relative to the matters in this paragraph, and that on failure of the lessee so to do the lessor shall have the right to enter on the property and to accomplish the purpose of such orders at the lessee's cost; *Provided*, that the lessee shall not be held responsible for delays or casualties occasioned by causes beyond lessee's control.

(m) *Regulations.*—To abide by and conform to any and all reasonable regulations of the Secretary of the Interior now or hereafter in force, all of which regulations are made a part and condition of this lease: *Provided*, That such regulations are not inconsistent with any express and specific provisions hereof, and particularly that no regulations hereafter approved shall affect a change in the rate of royalty or annual rental herein specified without the written consent of the parties to this lease.

(n) *Taxes and wages—Freedom of Purchase.*—To pay when due, all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, oil, and gas produced from the lands hereunder, or other rights, property, or assets of the lessee; to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees at least twice each month in the lawful money of the United States.

(o) *Reserved deposits.*—To comply with all statutory requirements and regulations thereunder, if the lands embraced herein have been or shall hereafter be disposed of under the laws reserving to the United States the deposits of oil and gas therein, subject to such conditions as are or may hereafter be provided by the laws reserving such oil or gas.

(p) *Assignment of Lease.*—Not to assign this lease or any interest therein by an operating agreement or otherwise, nor to sublet any portion of the leased premises, except with the consent in writing of the Secretary of the Interior first had and obtained.

(q) *Deliver premises in cases of forfeiture.*—To deliver up the premises leased, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease; but this shall not be construed to prevent the removal, alteration, or renewal of equipment and improvements in the ordinary course of operations.

(r) *Pipe lines to purchase or convey at reasonable rates and without discrimination.*—If owner, or operator or owner of a controlling interest in any pipe line or of any company operating the same which may be operated accessible to the oil or gas derived from lands under this lease, to accept and convey and, if a purchaser



of such products, to purchase at reasonable rates and without discrimination the oil or gas of the Government or of any citizen or company not the owner of any pipe line, operating a lease or purchasing or selling oil, gas, natural gasoline, or other products under the provisions of the Act.

**Sec. 3. The lessor expressly reserves:**

(a) *Rights reserved—Easements and rights of way.*—The right to permit for joint or several use easements or rights of way, including easements in tunnels upon, through, or in the lands leased, occupied, or used as may be necessary or appropriate to the working of the same or of other lands containing the deposits described in the Act, and the treatment and shipment of products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) *Disposition of surface.*—The right to lease, sell, or otherwise dispose of the surface of the lands embraced within this lease under existing law or laws hereafter enacted, insofar as said surface is not necessary for the use of the lessee in the extraction and removal of the oil and gas therein: Provided, that this reservation shall not apply to any lands herein described, title to which has passed from the United States.

(c) *Monopoly and fair prices.*—Full power and authority to promulgate and enforce all orders necessary to insure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interests of the United States, to prevent monopoly, and to safeguard the public welfare.

(d) *Helium.*—Pursuant to Section 1 of the Act, and Section 1 of the act of Congress approved March 3, 1927 (44 Stat. 1387), the lessor reserves the ownership and the right to extract, under such rules and regulations as shall be prescribed by the Secretary of the Interior, helium from all gas produced under this lease, but the lessee shall not be required to extract and save the helium for the lessor; in case the lessor elects to take the helium the lessee shall deliver all gas containing same, or portion thereof desired, to the lessor at any point on the leased premises in the manner required by the lessor, for the extraction of the helium in such plant or reduction works for that purpose as the lessor may provide, whereupon the residue shall be returned to the lessee with no substantial delay in the delivery of gas produced from the well to the purchaser thereof: *Provided*, that the lessee shall not, as a result of the operation in this paragraph provided for, suffer a diminution of value of the gas from which the helium has been extracted, or loss otherwise, for which the lessee is not reasonably compensated, save for the value of the helium extracted; the lessor further reserves the right to erect, maintain, and operate any and all reduction works and other equipment necessary for the extraction of helium on the premises leased.

(e) *Taking of royalties.*—All rights pursuant to section 30 of the Act to take royalties in amount or in value of production.

(f) *Casing.*—All rights pursuant to section 40 of the Act, to purchase casing and lease or operate valuable water wells.

**Sec. 4. Drilling and producing restrictions.**—It is covenanted and agreed that the rate of prospecting and developing and the quantity and rate of production from the lands covered by this lease shall be subject to control in the public interest by the Secretary of the Interior, and in the exercise of his judgment the Secretary may take into consideration, among other things, Federal laws, State laws, and regulations issued thereunder, or lawful agreements among operators regulating either drilling or production, or both.

**Sec. 5. Surrender and termination of lease.**—The lessee may, on consent of the Secretary of the Interior, first had and obtained in writing, surrender and terminate this lease upon payment of all rents, royalties, and other obligations due and payable to the lessor, and upon payment of all wages and moneys due and payable to the workmen employed by the lessee, and upon a satisfactory showing to the Secretary that the public interest will not be impaired; but in no case shall such termination be effective until the lessee shall have made full provision for conservation and protection of the property; upon like consent had and obtained the lessee may surrender any legal subdivisions of the area included herein.

**Sec. 6. Purchase of materials, etc., on termination of lease.**—Upon the expiration of this lease, or the earlier termination thereof pursuant to the last preceding section, the lessor or another lessee may, if the lessor shall so elect within three months from the termination of the lease purchase all materials, tools, machinery, appliances, structures, and equipment placed in or upon the land by the lessee, and in use thereon as a necessary or useful part of an operating or producing plant, on the payment to the lessee of such sum as may be fixed as a reasonable price therefor by a board of three appraisers, one of whom shall be chosen by the lessor, one by the lessee, and the other by the two so chosen; pending such election all equipment shall remain in normal position. If the lessor, or another lessee, shall not within three months, elect to purchase all or any part of such materials, tools, machinery, appliances, structures, and equipment, the lessee shall have the right at any time, within a period of ninety days, to remove from the premises all the materials, tools, machinery, appliances, structures, and equipment which the lessor shall not have elected to purchase, save and except casing in wells and other equipment or apparatus necessary for the preservation of the well or wells. Any materials, tools, machinery, appliances, structures, and equipment including casing in or out of wells on the leased lands shall become the property of the lessor on expiration of the period of ninety days above referred to or such extension thereof as may be granted on account of adverse climatic conditions throughout said period.

**Sec. 7. Proceedings in case of default.**—If the lessee shall fail to comply with the provisions of the Act, or make default in the performance or observance of any of the terms, covenants, and stipulations hereof and such default shall continue for a period of 30 days after service of written notice thereof by the lessor, the lease may be canceled by the Secretary of the Interior in accordance with section 17 of the Act, as amended, and all materials, tools, machinery, appliances, structures, equipment, and wells shall thereupon become the property of the lessor, except that if said lease was earned as a preference right pursuant to section 14 of the Act or covers lands known to contain valuable deposits of oil or gas, the lease may be canceled only by judicial proceedings in the manner provided in section 31 of the Act; but this provision shall not be construed to prevent the exercise by the lessor of any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular cause of forfeiture shall not prevent the cancellation and forfeiture of this lease for any other cause of forfeiture, or for the same cause occurring at any other time.

**Sec. 8. Heirs and successors in interest.**—It is further covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

**Sec. 9. Unlawful interest.**—It is also further agreed that no Member of, or Delegate to Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified, and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior, shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of section 3741 of the Revised Statutes of the United States, and sections 114, 115, and 116 of the Codification of the Penal Laws of the United States approved March 4, 1919 (35 Stat., 1109), relating to contracts, enter into and form a part of this lease so far as the same may be applicable.

In witness whereof—

THE UNITED STATES OF AMERICA,  
By \_\_\_\_\_  
Secretary of the Interior.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Witness to signature of—  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**14. Bonds.**—All leases under the amended act provide that a general lease bond in the penal sum of not less than \$5,000 conditioned upon compliance with all lease terms, shall be furnished prior to the beginning of drilling operations on leased land. Such bonds in every instance shall be either corporate-surety bonds or individual bonds accompanied, in the latter instance, by a deposit of negotiable Federal securities in a sum equal at their par value to the amount of the bond and by a proper conveyance to the Secretary of full authority to sell such securities in case of default in the performance of the conditions of the lease bond.

Until a general lease bond is filed a lessee will be required to furnish and maintain a bond in the penal sum of not less than \$1,000 for compliance with the lease obligations, and for the protection of the owner of surface or sub-surface rights or estates from damage resulting from the operations of such lessee, such bond to terminate upon acceptance of the \$5,000 lease bond. This and other special-purpose bonds involving penal sums less than \$5,000 may be furnished (a) with approved corporate-surety, (b) with two qualified individual sureties when duly supported by affidavits of justification by such sureties and by a certificate as to their identity, signatures, and financial competency, or (c) without surety, upon deposit of acceptable collateral as indicated above.

Bonds required under this section should be in substantially the following form:

DEPARTMENT OF THE INTERIOR

GENERAL LAND OFFICE

U. S. Land Office \_\_\_\_\_  
Serial Number \_\_\_\_\_

Bond of oil and gas lessee

[Act of Feb. 25, 1920 (41 Stat. 457)]

Know all men by these presents, that we, \_\_\_\_\_ of the county of \_\_\_\_\_, in the State of \_\_\_\_\_, as principal, and \_\_\_\_\_, in the State of \_\_\_\_\_, as surety, are held and firmly bound unto the United States of America in the sum of \_\_\_\_\_ dollars, lawful money of the United States, for the use and benefit of the United States and of



any entryman or patentee of any portion of the land covered by the hereinafter described lease heretofore entered or patented with a reservation of the oil and gas deposits to the United States, and any lessee under lease heretofore issued by the United States of other mineral deposits in any portion of such land, to be paid to the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators, successors, and assigns, jointly and severally by these presents.

Signed with our hands and sealed with our seals this \_\_\_\_\_ day of \_\_\_\_\_, in the year of our Lord one thousand nine hundred and \_\_\_\_\_.

The condition of the foregoing obligation is such that \_\_\_\_\_ Whereas the said principal, by instrument dated \_\_\_\_\_ has been granted an exclusive right to drill for, mine, extract, remove, and dispose of all the oil and gas deposits in or under the following described lands \_\_\_\_\_ under and pursuant to the provisions of the act approved February 25, 1920 (41 Stat. 437), as amended; and

Whereas the said principal has by such instrument entered into certain covenants and agreements set forth therein, under which operations are to be conducted:

Now, therefore, if said principal shall faithfully comply with all the provisions of the above described lease, then the above obligation is to be void and of no effect, otherwise to remain in full force and virtue.

Signed, sealed, and delivered in presence of—  
Name and address of witness:

\_\_\_\_\_, Principal (L. S.)  
\_\_\_\_\_, (Surety) (L. S.)

Where United States bonds are submitted in lieu of surety the same form may be used (with the omission of the recitals as to sureties) with the additional provision substantially as follows:

The above-bonded obligor, in order more fully to secure the United States in the payment of the foresaid sum, hereby pledges as security therefor bonds of the United States of a par value equal to said sum, which said bonds are numbered serially and are in the denominations and amounts and are otherwise more particularly described as follows:

\_\_\_\_\_ bonds of \$\_\_\_\_\_ bearing \_\_\_\_\_ per cent interest with \_\_\_\_\_ coupons attached to each, numbered \_\_\_\_\_ which said bonds have this day been deposited with the Secretary of the Interior and his receipt taken therefor.

That the said obligor does hereby constitute and appoint the Secretary of the Interior as his attorney, for him and in his name to collect or to sell, assign, and transfer the said United States bonds above described and deposited by the obligor as aforesaid, pursuant to authority conferred by section 1126 of the act of February 26, 1926 (44 Stat. 122), as security for the faithful performance of any and all of the conditions or stipulations as hereinbefore set out, and it is agreed that, in case of any default in the performance of the conditions and stipulations of such undertaking the said attorney shall have full power to collect said bonds or any part thereof, or to sell, assign, and transfer said bonds or any part thereof without notice, at public or private sale, free from any equity of redemption or without appraisal or valuation, notice and right to redeem being waived, and to apply proceeds of such sale or collection to the full amount of the bond to the satisfaction of any damages, or deficiencies arising by reason of such default, as said attorney may deem best. The interest accruing upon said United States bonds deposited as above stated, in the absence of any default in the performance of any of the conditions or stipulations of the bond, shall be paid to said obligor. The said obligor hereby for himself, his heirs, executors, administrators, successors, and assigns, ratifies, and confirms whatever his said attorney shall do by virtue of these presents.

In witness whereof I have hereunto set my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_, (Signature) [L. S.]  
Before me, the undersigned, a notary public within and for the county of \_\_\_\_\_ in the State of \_\_\_\_\_ personally appeared \_\_\_\_\_ and duly acknowledged the execution of the foregoing bond and power of attorney.

Witness my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

[NOTARIAL SEAL]

15. *Rentals.*—A lessee shall pay an annual rental of fifty cents per acre or fraction thereof for the first year of the lease, and shall pay an annual rental of twenty-five cents per acre or fraction thereof for the second and each succeeding lease year until oil or gas in commercial quantities is discovered on the leased lands. Thereafter, beginning with the first lease year succeeding discovery, the annual

rental shall be \$1 per acre or fraction thereof, any rental paid for any one year to be credited against the royalties as they accrue for that year. For the purposes of making rental payments the lease year shall in all instances be deemed to start on the first day of the month in which the lease was issued. In all instances rental shall be paid in advance, the first payment being due prior to the execution and delivery of the lease: Except, That where a lease is granted in exchange for an existing permit or pursuant to an application for permit filed after May 23, 1935, and before August 21, 1935, no rental is required for the first two lease years, unless valuable deposits of oil or gas are sooner discovered within the boundaries of the lease.

16. *Suspension of rentals.*—Rentals under any leases issued pursuant to the provisions of the amendatory act, except as otherwise expressly provided in these regulations, may not be waived, suspended, or reduced until a valuable deposit of oil or gas is discovered within the lease area. In any lease on which discovery has been made, the Secretary of the Interior may direct or assent to the suspension of operations or of production of oil or gas, and no payment of rentals under the lease so suspended will be required during the period of suspension of all operations and production. Such suspension of payment of rentals, if so directed or assented to, shall be applied pro rata, by months, for lease years or portions thereof and shall begin with the first day of the lease month after the filing in the office of the oil and gas supervisor of written application for suspension, or after actual cessation of operations if that be later, and end with the first day of the lease month in which the relief is terminated.

17. *Royalties.*—Royalties, as follows, shall be paid on the amount or value of all production from the leased lands (except that portion thereof used for production purposes on said lands or unavoidably lost):

(1) When the price of oil used in computing royalty value is \$1.00 or more per barrel, the per centum of royalty shall be as follows:

When the average production for the calendar month in barrels per well per day is—

Not over 50, the royalty shall be 12.5 percent;  
Over 50 but not over 60, the royalty shall be 13 percent;  
Over 60 but not over 70, the royalty shall be 14 percent;  
Over 70 but not over 80, the royalty shall be 15 percent;  
Over 80 but not over 90, the royalty shall be 16 percent;  
Over 90 but not over 100, the royalty shall be 17 percent;  
Over 100 but not over 110, the royalty shall be 18 percent;  
Over 110 but not over 120, the royalty shall be 19 percent;  
Over 120 but not over 130, the royalty shall be 20 percent;  
Over 130 but not over 140, the royalty shall be 21 percent;  
Over 140 but not over 150, the royalty shall be 22 percent;  
Over 150 but not over 160, the royalty shall be 23 percent;  
Over 160 but not over 170, the royalty shall be 24 percent;  
Over 170 but not over 180, the royalty shall be 25 percent;  
Over 180 but not over 190, the royalty shall be 26 percent;  
Over 190 but not over 200, the royalty shall be 27 percent;  
Over 200 but not over 250, the royalty shall be 28 percent;  
Over 250 but not over 300, the royalty shall be 29 percent;  
Over 300 but not over 350, the royalty shall be 30 percent;  
Over 350 but not over 400, the royalty shall be 31 percent;  
Over 400 but not over 450, the royalty shall be 32 percent;  
Over 450 but not over 500, the royalty shall be 33 percent;  
Over 500 but not over 750, the royalty shall be 34 percent;  
Over 750 but not over 1,000, the royalty shall be 35 percent;  
Over 1,000 but not over 1,250, the royalty shall be 36 percent;  
Over 1,250 but not over 1,500, the royalty shall be 37 percent;  
Over 1,500 but not over 2,000, the royalty shall be 38 percent;  
Over 2,000 the royalty shall be 39 percent.

(2) When the price of oil used in computing royalty value is less than \$1.00 per barrel, the per centum of royalty shall be the foregoing multiplied by the ratio of said price to a price of \$1.00 per barrel, provided, however, that the per centum of royalty shall never be less than 12.5.

(3) If the United States shall take its royalty in oil, the price received by the lessee, as well as that received by the lessor shall be considered in determining the price to govern the per centum of royalty, unless both prices are \$1.00 or more per barrel.

(4) On gas, including inflammable gas, helium, carbon dioxide, and all other natural gases and mixtures thereof, and on natural or casinghead gasoline and other liquid products obtained from gas:

When the average production of gas per well per day for the calendar month does not exceed 5,000,000 cubic feet, 12½ percent; and when said production of gas exceeds 5,000,000 cubic feet, 16½ percent of the amount or value of the gas and liquid products produced, said amount or value of such liquid products to be net after an allowance for the cost of manufacture: *Provided*, That the allowance for cost of manufacture may exceed two-thirds of the amount or value of any product only on approval by the Secretary of the Interior, and that said value of gas and of liquid products shall be as determined by said Secretary.

The average production per well per day for oil and for gas shall be determined under rules and regulations approved by the Secretary of the Interior.



18. *Reduction of royalties.*—Where the average daily production of the oil wells on an entire leasehold or on any tract or portion thereof segregated for royalty purposes does not exceed ten barrels per well per day or where the cost of operation renders production economically impracticable, the Secretary of the Interior may reduce the royalty on future production when in his judgment the wells can not be successfully operated upon the royalty fixed in the lease.

Applications for the reduction of royalties should be made in accordance with the instructions of June 28, 1927 (Circular 1127, 52 L. D. 175).

Applications for the waiver, suspension, or reduction of rentals, and reduction of royalties under leases valuable only for the production of gas should be filed in the same manner and with substantially the same showing as that provided by said instructions.

19. *Drainage.*—Upon determination that wells drilled upon lands not owned by the United States are draining oil or gas from lands or deposits owned in whole or in part by the United States, the Secretary of the Interior may negotiate agreements whereby the United States or the United States and its permittees, lessees, or grantees shall be compensated for such drainage, such agreements to be made with the consent of any permittees and lessees affected thereby.

Steps looking to the negotiation of such special agreements may be initiated in the Department or by application of interested parties. The precise nature of any agreement negotiated will depend on all the conditions and circumstances involved in the particular case.

20. *Exchanges of leases.*—Application for exchange of leases under section 2 (a) of the amendatory act may be filed with the register of the district land office or directly with the Commissioner of the General Land Office. Such application should be made by the record title holder of the outstanding lease and joined in or consented to by any operator of record. Any lease issued in lieu of the outstanding lease will be issued to the record title holder or holders of the outstanding lease, bear current date, and at the royalties and rentals provided by these regulations and will be issued for a period of 10 years and so long thereafter as oil and gas is produced in paying quantities. The lessee will be required to furnish a new and satisfactory lease bond and to discharge any indebtedness against the lease before the new lease will be issued. Two or more outstanding leases may be combined into a single lease where held in common ownership and the lands are sufficiently compact to justify their inclusion in one lease.

21. *Acreage limitation.*—All leases operated under a cooperative or unit plan for the development and operation of any area, field, or pool approved by the Secretary of the Interior are excepted in determining holdings or control under the provisions of any section of the act of February 25, 1920, as amended.

22. *Rights of way for pipe lines.*—Applications for rights of way under section 28 of the act as amended will be governed by the regulations of February 21, 1931 (Circular 1237, 53 L. D. 277), in so far as applicable, appropriate changes being made in the forms prescribed to make them applicable to rights of way cases arising under this provision of the act for pipe lines to be constructed, maintained, and operated as common carriers. In approving such right of way grant it shall be specifically stated that such pipe line shall be constructed, operated, and maintained as a common carrier and that the grantee shall accept, convey, transport, or purchase without discrimination oil or natural gas produced from government lands in the vicinity of the pipe line in such proportionate amounts as the Secretary of the Interior may, after a full hearing with due notice thereof to interested parties and a proper finding of facts determine to be reasonable, and in addition that the use of such pipe line for the transportation of oil or gas shall be limited to oil and gas produced in conformity with State and Federal laws including laws prohibiting waste.

Failure on the part of the grantee to fulfill the conditions imposed by the act shall be grounds for forfeiture of the grant by the United States District Court for the dis-

trict in which the property or some part thereof is located in an appropriate proceeding.

Very respectfully,

FRED W. JOHNSON, *Commissioner.*

I concur:

W. C. MENDENHALL,  
*Director, Geological Survey.*

Approved May 7, 1936:

HAROLD L. ICKES,  
*Secretary.*

[Filed, May 9, 1936; 10:27 a. m.]

## DEPARTMENT OF AGRICULTURE.

### Agricultural Adjustment Administration.

#### 1936 AGRICULTURAL CONSERVATION PROGRAM—EAST CENTRAL REGION

##### BULLETIN NO. 3

#### *Instructions for Preparation of Work Sheets and Listing Sheets and Instructions for Establishment of Bases*

Pursuant to the authority vested in the Secretary of Agriculture under Section 8 of the Soil Conservation and Domestic Allotment Act, the following instructions are issued to supplement the provisions contained in East Central Region Bulletin No. 1, Revised, and East Central Region Bulletin No. 2, in connection with the effectuation of the purposes of section 7 (a) of said act for 1936:

##### PART I. PREPARATION OF WORK SHEETS

*Purpose of Work Sheet.*—The purpose of the work sheet is to obtain information relative to the farming practices and land use history which will be required in determining amounts of grants.

*Assistance in Filling Out Work Sheets.*—A committeeman (or a qualified clerk) will assist the operator or owner in filling out the work sheet. Committeemen and clerical assistants should be thoroughly familiar with the details of the program before work sheets are filled out.

*Number of Copies.*—Only one copy of the work sheet will be prepared until adjustments have been completed by the county committee. The County Office will then prepare three additional copies showing adjusted figures, one for filing in the County Office, one for the State Office, and one for the producer.

*Fractions.*—Fractions of acres should be expressed to the nearest tenth of an acre, and fractions in hundredths amounting to five hundredths or less will be dropped, while those amounting to more than five hundredths will be considered as a whole tenth. Yields, ratios, and percentages will be expressed in whole numbers, and any fractions of five-tenths or less will be dropped.

*Land to be Covered by Work Sheet.*—Each farming unit (as defined in E. C. R. Bulletin 1 Revised) will be placed under a separate work sheet, except that, in cases where land in any farming unit is owned by two or more different persons (land rented for cash is considered as if it were owned by the renter), a separate work sheet is to be prepared for each such separately owned tract. Data on the work sheets for such separately owned tracts may be summarized on one work sheet for the entire farming unit, and the several work sheets may be filed together.

*Farms in Two or More Counties.*—Land operated in 1936 as a single farming unit and located in two or more counties shall be deemed to be located in the county in which the principal dwelling on such land is located, or if there is no dwelling then in the county in which the major portion of such land is located.

Each person applying for a grant will be required to show that work sheets have been executed covering all land in the county owned or operated by him.

Any person applying for a grant who owns or operates land in more than one county in a State may be required to file in the State Office a list of all such land.



**SECTION 1. Utilization of Land.**—This section of the work sheet provides space for recording data regarding the 1935 crops and land uses and bases established for cotton, tobacco, or peanuts as provided in sections 20, 21, and 22 of this bulletin. It also provides for the adjustment of these data so as to reflect the *usual* acreage of crops and land uses for the farming unit.

**A. Division of Crops Between Subdivided Farms.**—If land operated as a farming unit in 1935 has been subdivided or if the land included under the work sheet differs from that for which an A. A. A. contract base was established the acreage of crops grown on the farming unit in 1935, or the A. A. A. contract base, should be divided in the proportion that the total cultivated acreage suitable for growing the crops on the land included under the work sheet bears to the cultivated acreage in the 1935 farming unit, or the land covered by the A. A. A. contract, as the case may be.

**B. A. A. A. Contract Base Acreage.**—Enter in column (B) the base acreage (if any) of tobacco, cotton, and peanuts determined as provided in sections 20, 21, and 22 of this bulletin. In counties in which more than one kind of tobacco is grown, enter the kind or kinds of tobacco for the farm, crossing out the word "peanuts" in column (A) and using that space whenever needed. Enter separately the bases for fire-cured and dark air-cured tobacco. A combined soil depleting base for those kinds of tobacco is to be determined, but the separate contract figures for each kind will facilitate the making of any necessary adjustments.

**C. A. A. A. Contract Base Yield.**—Enter in column (C) the base yield per acre of tobacco and of cotton (net yield of lint) determined as provided in sections 20 and 21 of this bulletin. For farms growing Maryland tobacco and which were not covered by A. A. A. tobacco contracts in 1935, enter the yield per acre of tobacco grown in 1934, or, if tobacco was grown in 1935 and not in 1934, the estimated yield per acre of tobacco grown in 1935. Enter the average yield per acre of peanuts on the acreage harvested in 1934 and 1935.

**D. Harvested 1935 Acres.**—Enter in column (D) the acreage of each crop harvested in 1935, and other land uses in 1935. It is suggested that the total acreage in the farm, item 34, be entered first. This will provide a basis for checking the sum of individual items.

If more than one crop was harvested in 1935 from any tract of land, a circle should be drawn around the acreage figures entered for all except one of the crops to indicate "double cropping." Where both soil depleting and soil conserving crops were harvested from the same land in 1935, a circle will be drawn around the acreage for the soil conserving crop, and the soil depleting crop will be counted in the acreage totals for the farm rather than the soil conserving crop. Acreage from which two or more crops were harvested in 1935 will be counted only once in determining the total crop acreage for the farm.

**1. Soil Depleting Crops.**—Enter under items 1 to 14 in column (D), the actual acreage of soil depleting crops *harvested* (wheat, oats, etc., harvested, *not* planted) on the farm in 1935. Do not enter in column (D) the base acreages of any such crops under A. A. A. contracts. Enter names of soil depleting crops which are not printed in Column (A).

The 1935 harvested acreage of corn which was not interplanted with legumes (soybeans, etc.) should be entered separately in the space provided and the part of the total acreage of corn and legumes interplanted which is determined to be corn acreage should be entered separately. The other part of the interplanted corn acreage will be entered in the proper space (line (b), item 15); and if a legume other than soybeans was used the name of such legume will be entered in item 18. (See section 27 for determination of corn acreage where interplanted with legumes.)

**2. Soil Conserving and Neutral Crops and Land Uses.**—Enter under items 16 to 26 in column (D) the actual acreage of soil conserving and neutral crops and land uses for the land classified as *crop land* in ECR Bulletin I, Revised. Do not enter the acreage of lespedeza and of blue grass in 1935 on land which is not classified as *crop land*.

The 1935 acreage of soil conserving crops (for which names are not printed) such as rye, barley, oats, or grain mixtures grown as winter cover crops and turned under as green manure or grown in connection with or immediately followed by a legume, pasture on crop land, and forest trees planted on crop land since January 1, 1934, should be entered in the upper spaces (items 19, 20, etc.). The neutral uses of land in 1935, such as idle and fallow, should be entered in the lower spaces (items 25, 24, etc.).

Enter separately as item 26 (b) the acreage of orchards and vineyards not interplanted with any crop. For any acreage in orchards and vineyards interplanted with any crop in 1935, enter as item 26 (a) the name of the interplanted crop, the acreage which the committeeman and operator estimate was actually occupied by the crop, and the remaining portion of the acreage which was occupied by trees and vines. For example, with a 30-acre orchard, 20 acres being occupied by blue grass and 10 acres by trees, the words "blue grass" and the figure "20" would be written on line 26 (a) to the left of column (D) and the figure "10" would be written in column (D). The acreage of blue grass—20 acres—would also be entered in column (D) under item 17 above.

**3. The total crop acreage** (item 28) should equal the acreage of all crops and of idle or other neutral *crop* land on the farm in 1935.

**4. Noncrop land.**—Enter in the proper spaces the acreage of all noncrop land. All open pasture on *noncrop* land, whether tillable or not, is to be entered as item 32.

**5. Total Acres in Farm.**—The sum of the acres of all crops and land uses (items 28 to 33) should equal the figure previously entered (item 34) for the total acreage of all land in the farm in 1935.

**E. Adjusted Acreage.**—The committeeman or other field worker, with the assistance of the operator, will determine and enter in the proper space in column (E) the acreage of each crop which represents the *usual* acreage of such crop on the farm.

**1. Making Adjustments.**—Careful work by the committeemen and the operator to make proper *adjustments* and avoid any *overstatement* at this time will prevent delay in final approval of bases and will reduce or eliminate the necessity of further adjustment. It will be helpful to keep in mind the following adjustments (see Section 24):

(a) Subtraction of "rented" or "contracted" tobacco or cotton acres (under 1935 adjustment contracts) from the 1935 harvested acreage of crops or other land use to which devoted.

(b) Addition to 1935 wheat or corn acreage of "contracted" or "retired" acres (under 1935 wheat or corn adjustment contracts) not used for other soil depleting crops, and subtraction of the same "contracted" or "retired" acres from the crop or use to which devoted in 1935.

(c) Correction for unusual weather conditions.

(d) Correction in order to obtain equitable base as compared with other farms.

The total adjusted crop acreage in column (E), item 28, should check with the total 1935 crop acreage for the farm in column (D), item 28.

The sum of item 4 and item 16 should be the usual acreage of soil depleting crops on the farm and the sum of items 16 to 26 should be the usual acreage of soil conserving crops and neutral land uses on the farm.

**2. The total soil depleting base** will be determined from the 1935 harvested acreage of soil depleting crops on the farm (item 4 plus item 15, column (D)).

**2. The general soil depleting base** will be determined from the 1935 harvested acreage of general soil depleting crops on the farm (item 15 of column (D)).

**4. The soil depleting bases (if any) for cotton, peanuts, and tobacco** will be determined from the base established in accordance with sections 20, 21, and 22 of this bulletin and entered as items 1, 2, and 3 respectively of columns (B) and (D).



The sum of the general soil depleting base and the soil depleting bases (if any) for cotton, peanuts, and tobacco must be so adjusted as to equal the total soil depleting base for the farm.

**SECTION 2. Name and Yield of Principal Soil Depleting Crop.**—Enter in Section II the name of the soil depleting crop designated for use in determining the productivity of land devoted to general soil depleting crops, together with the 2-year 1934-1935 average yield per acre of such crop. (See Section 25.)

**SECTION 3. Name, Address, and Signature of Operator.**—Enter in Section III the name and address of the person operating the farm in 1936. If the operator is the owner of the farm write "Same" in the space provided for the name of the owner. Enter the name and address of the owner when different from the operator.

The operator or the owner who gives the information for the work sheet should sign in the space provided. Signature will not be necessary on the three additional copies prepared after adjustments in the county office. Signing a work sheet does not place any obligation upon anyone, and work sheets may be accepted without the signature of any producer who objects to signing.

**SECTION 4. Location of Farm.**—Enter in the space provided in Section IV a complete and careful description of the location of the land covered by the work sheet. If the land consists of several separate tracts under the same ownership, the location of the principal tract should be shown in this space of the work sheet and the words "See reverse side" should be written in the margin of the Section. The location of the other tracts covered by the work sheet should be indicated on the reverse side.

**SECTION 5. Other Farms.**—Enter in the space provided in Section V the number of other farms in the same county which are owned or operated by the owner, and the number of other farms in the same county which are owned or operated by the operator.

**SECTION 6. Record References.**—Enter in the space provided in Section VI the serial number of any A. A. A. cotton contract, Bankhead allotment, A. A. A. tobacco contract, A. A. A. peanut contract, A. A. A. corn-hog contract, and A. A. A. wheat contract covering the farm in 1935. Serial numbers furnished by producers should check with county records.

**SECTION 7. Base Acreage and Yield.**—The Community Committee will take the adjusted acreages for cotton, peanuts, and tobacco (items 1, 2, and 3) in column (E) and the total of the adjusted acreage for all other soil depleting crops (item 15) in column (E), and after making revisions in these figures in accordance with the provisions for establishment of bases (see Sections 18 to 25 of this bulletin) will enter the revised figures in column (A) of Section VII of the work sheet in the spaces indicated. In like manner, the total soil depleting base (item 15 plus item 4, Column (E)) will be entered in this column.

The per-acre yields for cotton, peanuts, and tobacco, from Column (C) of Section I of the work sheet, will be entered in Column (B) of Section VII.

When the preliminary revisions of the Community Committee have been completed for the work sheets in the community, the next step will be to transfer to Listing Sheets, Form ECR 6, the essential data from the work sheets. (See Sections 9 and 10 of this bulletin.)

When adjusted soil-depleting bases and the yield of soil-depleting crops have been determined on the listing sheet, the County Committee adjusted figures will be entered on such work sheet in Columns (C) and (D) of Section VII.

After soil-depleting bases and yields as approved have been entered in Columns (C) and (D) of Section VII, the maximum acreage for which soil-conserving payments can be made on the farm will be calculated and entered in Column (E). This will be 35 percent of the cotton soil-depleting base, 30 percent of the tobacco soil-depleting base, 20 percent of the peanut soil-depleting base, and 15 percent of the general soil-depleting base. The acreages which can be planted with maximum diversion will be entered in Col-

umn (F) and will be the difference between the soil-depleting base and the maximum acreage for which soil-conserving payment can be made.

**SECTION 8. Committee Approval.**—The person who assists in filling out the work sheet (community committeeman or clerical assistant) should sign on the first line in Section VIII. If the work sheet is not originally filled out with the assistance of the community committeeman for the community in which the farm is located, then such committeeman should examine the work sheet and later add his initials (but not sign his name) in this space to indicate approval for the Community Committee.

When the work sheet has been completed and finally approved by the County Committee, one of the county committeemen reviewing the work sheet should sign for the County Committee in the space provided. This signature will not be necessary on the three additional copies, as the name of the committeeman will be typed in.

## PART II. PREPARATION OF LISTING SHEETS

**SECTION 9. Numbering Work Sheets.**—When all work sheets for a county are completed down to column (6) of Section VII, it is suggested that they be arranged in alphabetical order by communities, according to the name of the 1936 operator, and that the work sheets be given serial numbers in this order, beginning with No. 1 in one community and continuing through the last community so that the last numbered work sheet bears a number corresponding with the total number of work sheets in the county. Any work sheets received late would be numbered consecutively beginning with the next highest number.

After serial numbers have been placed upon the work sheets, the work sheets for each community will be separated according to the designated soil depleting crop shown in Section II of the work sheet (if more than one such crop is used in the county). The work sheets for each designated soil depleting crop will be listed on separate listing sheets (Form ECR 6) for each community, beginning with the lowest serial number and extending to the highest serial number. Where more than one listing sheet is required, it is suggested that 50 work sheets be listed on each listing sheet insofar as possible.

**SECTION 10. Entries on Listing Sheet.**—Enter in the spaces in the upper left hand corner of each listing sheet the name of the county, the name of the State, the name of the community, and the listing sheet number, beginning with No. 1 for each community.

Entries in columns 1 to 29, inclusive, with the exception of entries in columns 12, 14, 15, 17, 18, 19, 23, and 24, represent specific items taken from work sheets and do not require detailed explanation. The acreages entered are the 1935 acreages of crops and land use taken from column (D) of the work sheets.

For column 12 enter in the heading the name of the small grain crop which is most important in the county, and for column 15 enter in the heading the name of any other soil depleting crop which is of major importance in the county. List the 1935 acreages of such crops.

In column 14 enter the total acreage of Sudan grass, millet, and Italian rye grass harvested for hay or seed.

In column 17 enter the total acreage of all soil depleting crops not entered in preceding columns.

In column 18 enter the total 1935 harvested acreage of soil depleting crops (the sum of items 4 and 15 in column (D) of the work sheet).

In column 19 enter the total 1935 acreage of all crops or uses under items 16 to 25, inclusive, of the work sheet which are classed as soil conserving.

In column 23 enter the acreage of any other land which is classed as neutral in 1935, other than that entered in columns 20, 21, and 22.

In column 24 enter the total of the figures shown in columns 20-23, inclusive.

In columns 25 to 29 enter the soil depleting bases shown in column (A), Section VII of the work sheet.

Leave columns 30 to 34, inclusive, blank at the time of making other entries described in this Section 10.



Write in the space provided above columns 35, 36, and 37 the name of the soil depleting crop being listed on the particular listing sheet as shown in Section II of the work sheets and enter in column 35 the yield per acre shown in Section II of the work sheet.

Leave columns 36 and 37 blank at the time of making other entries described in this Section 10.

In columns 38 to 40 enter the yields of cotton, peanuts, and tobacco shown in column (b) of Section VII of the work sheet.

**SECTION 11. Column Totals on Listing Sheets.**—The accuracy of the work sheet data and the listings for each listing sheet may be checked as follows:

The total of columns 4 and 5 should equal the total of column 3.

The total of columns 6 to 17, inclusive, should equal the total of column 18.

The total of columns 20 to 23, inclusive, should equal the total of column 24.

The total of columns 18, 19, and 24 should equal the total of column 5.

The total of columns 26, 27, 28, and 29 should equal the total of column 25.

**SECTION 12. Check of Preliminary Soil Depleting Bases.**—After all listing sheets for the county have been summarized and checked, the totals of the preliminary soil depleting bases will be compared with the limits established by the Agricultural Adjustment Administration for the respective soil depleting bases for the county. In making this comparison, the number of acres of soil depleting crops estimated by the County Committee for farms in the county for which work sheets have not been submitted will be taken into account.

**SECTION 13. Listing Adjusted Soil Depleting Bases.**—After completion of adjustments in soil depleting bases in columns 25 to 29, to make them conform to the county limits, the respective soil depleting bases will be carried forward to columns 30 to 34. If necessary, further adjustments will be made to bring the total number of acres in the respective soil depleting bases into line with the totals established for such soil depleting bases for the county.

See Sections 18, 20, 21, 22, and 23 for statement regarding totals and ratio to which soil depleting bases must conform.

**SECTION 14. Procedure for Calculation of Productivity Index.**—The preliminary yield figures in column 35 will be revised so as to make them comparable as between farms having similar soils and productivity capacity, and the revised figures will be entered in column 36.

For all work sheets in the county on which the same soil depleting crop has been designated, add the yield figures (after revisions) for the individual farms and divide the resulting total by the number of farms to determine the simple average. Divide the yield for each farm by the simple average yield to determine the percentage which the yield is of the simple average. Enter the percentage for each farm in column 37.

**A. Adjustments.**—The adjustments indicated below are required to be made in the percentage figures entered in column 37.

1. The percentage or index calculated for each farm will be brought into line with the indexes calculated for other farms which the committee determines to have similar soils and productive capacity for crops in the general soil depleting base.

2. If two or more designated soil depleting crops are used in any county, adjustments should be made which will correct any difference in the productivity of land used for the production of the different crops. For example: Where the yield of one crop has been used generally for farms in one part of the county and the yield of another crop has been used for other farms in the county, the indexes for the farms using each crop are calculated in relation to the yields of the respective crops. If one of such crops is usually grown on land two-thirds as productive as the land on which the other crop is usually grown, the committee would reduce the indexes calculated for the crop grown on

the less productive land. Without this adjustment two adjoining farms equally productive might show entirely different productivity indexes because of the use of different soil depleting crops to determine the indexes.

3. After adjustments described in paragraphs 1 and 2 above are completed, the adjusted indexes for each farm will be multiplied by the number of acres of land in the general soil depleting base for the farm (column 34). The resulting figures for all farms in the county will be totaled, regardless of designated principal soil depleting crop. The total obtained will be divided by the total number of acres in the general soil depleting base of all the farms in the county. If the resulting index figure is above or below 100 by more than five-tenths, then further adjustments should be made in the indexes for individual farms so as to obtain a weighted average index for all farms in the county which is not more than five-tenths above or below 100. (See Section 26.)

Enter the final adjusted index for each farm in column 41.

**SECTION 15. Yield Per Acre of Cotton, Peanuts, and Tobacco.**—The yield figures entered in columns 38, 39, and 40 should be adjusted so that:

(1) The yield for each farm is brought into line with neighboring farms having similar soils and capacity for the production of cotton, tobacco, or peanuts, as the case may be, and

(2) The yield for cotton, peanuts, and tobacco, for all farms in the county does not exceed the county yield established for each such crop (Figures are to be obtained from the State office).

**SECTION 16. Committee Recommendations of Approval.**—When all adjustments have been completed on the listing sheet, the date and the words "Approval recommended" should be written in the upper right hand corner of each listing sheet and immediately below at least one of the county committeemen should sign his name to signify that the County Committee has recommended approval thereof.

**SECTION 17. Statistical Records.**—Two copies of the approved listing sheets should be prepared, one for the county office and one for the State office.

The State office should prepare two copies of county summaries of the approved listing sheets by recording and summarizing totals of the acreage and yield figures for each community. The State office should also prepare two copies of a State Summary by recording and summarizing the totals of the acreage and yield figures for each county. One copy of each county summary and one copy of the State summary should be retained in the State office and one copy should be forwarded to the East Central Division, Agricultural Adjustment Administration, Washington, D. C.

#### PART III. ESTABLISHMENT OF SOIL DEPLETING BASES, THE PRINCIPAL SOIL DEPLETING CROP AND YIELDS

**SECTION 18. Total Soil Depleting Base for Farm.**—The total soil depleting base for each farm will be the total acreage of soil depleting crops harvested on the farm in 1935 subject to adjustments as provided in Section 24 below.

The aggregate sum of the total soil-depleting bases established for all farms for which work sheets have been submitted in each county shall be such that the ratio of such total soil-depleting bases to the total acreage of all farm land or of all crop land included in such farms shall not exceed the ratio of the total acreage of soil-depleting crops in the county to the total acreage of all farm land or of all crop land in the county as determined from available statistics by the Agricultural Adjustment Administration, unless a variance from such ratio is recommended by the State committee and approved by the Agricultural Adjustment Administration.

**SECTION 19. Separate Soil-Depleting Basis for Farm.**—The total soil-depleting base for each farm will be divided into separate soil bases for tobacco, cotton, and peanuts, and a general soil-depleting base for all other soil-depleting crops. A yield per acre will also be established for the farm for tobacco, cotton, and peanuts, respectively, and a productivity index will be established for land in the general soil-deplet-



ing base, this index to be a percentage of the county average productivity for such land.

**SECTION 20. Tobacco Soil-Depleting Base and Yield.**

**A. Farms for Which Bases May Be Established.**—A tobacco soil-depleting base may be established for any farm for which a base was or could have been established for flue-cured, Burley, fire-cured, or dark air-cured tobacco under the procedure for 1936-1939 adjustment programs.<sup>1</sup> In the case of Maryland tobacco, a tobacco soil-depleting base may be established for any farm on which such tobacco was grown in 1934 or 1935.

**B. Acreage to be Used in Determination of Base.**—The tobacco soil depleting base for a farm (except for Maryland tobacco) shall be determined upon the basis of the base acreage which was established or which could have been established for such farm under the procedure for 1936-1939 tobacco adjustment programs, subject to adjustment as provided in Section 24 below.

In the case of Maryland tobacco, the tobacco soil depleting base shall be determined upon the basis of the 1935 harvested acreage of Maryland tobacco on the farm, unless the farm was covered by an A. A. A. tobacco contract, in which case the tobacco soil depleting base shall be determined upon the basis of the base acreage established under such contract, subject to adjustment as provided in Section 24 below. If tobacco was not grown on the farm in 1935 and a base acreage was not established under an A. A. A. tobacco contract, the 1934 harvested acreage of Maryland tobacco on the farm may be used in determining the tobacco soil depleting base for the farm.

Separate tobacco soil depleting bases will be established for flue-cured tobacco, Burley tobacco, and Maryland tobacco. In the case of the fire-cured and dark air-cured types of tobacco, a tobacco soil depleting base will be established for the two kinds combined.

**C. Yield Per Acre.**—The yield per acre for flue-cured, Burley, fire-cured, and dark air-cured tobacco will be the yield determined in accordance with the procedure established for 1936-1939 tobacco adjustment programs, subject to adjustment as provided below. In the case of Maryland tobacco, the yield per acre shall be the average yield per acre of tobacco on the farm in 1934, unless the farm was covered by an A. A. A. tobacco contract, in which case the yield per acre will be the yield per acre established for the farm under such contract, subject to adjustment as provided below. If tobacco was grown on the farm in 1935 but not in 1934, and the farm was not covered by an A. A. A. tobacco contract, the yield per acre shall be the estimated yield per acre of tobacco on the farm in 1935, subject to adjustment as provided below.

The yield per acre for tobacco for any farm as determined above shall be subject to such adjustment as is necessary (1) to bring the tobacco yield for the farm into line with the tobacco yields of other farms in the community having similar soils and capacity for the production of tobacco, and (2) to bring the tobacco yields for all farms in the county into line with the tobacco yield figures prescribed for the county by the Agricultural Adjustment Administration.

**SECTION 21. Cotton Soil Depleting Base and Yield.**

**A. Farms for Which Bases May Be Established.**—A cotton soil depleting base may be established for a farm:

1. If one whole acre or more of cotton was planted on such farm in 1934 and/or 1935; or
2. If the entire base cotton acreage was rented in both 1934 and 1935 to the Secretary under a CARC<sup>2</sup>; or
3. If the failure to plant cotton thereon in the years 1934 and 1935 was caused by drought, flood, or excessive rains

<sup>1</sup> See Form T-211 for the procedure for flue-cured tobacco, and Form T-401 for the procedure for Burley, fire-cured, and dark air-cured tobacco.

<sup>2</sup> The term CARC as used herein refers to the 1934 and 1935 Cotton Acreage Reduction Contract (Form No. Cotton 1, or Form No. Cotton 1 as supplemented for 1935 by Form No. Cotton 102 or 104, or Form No. Cotton 101) and when used with reference to the farm means such a contract which covered the farm and was accepted by the Secretary.

which, for the same period of time, prevented the commercial production of other agricultural commodities on the land so affected, provided that cotton was planted in either or both of the years 1932 and 1933.

**B. Acreage to be Used in Determination of Base.**—The cotton soil depleting base for a farm will be determined upon the basis of whichever of the following is applicable:

1. If a farm was covered in 1935 by a CARC, the base shall be determined upon the basis of the base acreage accepted in 1935 by the Secretary of Agriculture under such CARC, except that if the acreage planted to cotton in 1935 was substantially below the acreage which could have been planted to cotton within the terms of the CARC and it is not shown that such failure to so plant was due to causes over which the CARC signer had no control, or was for the purpose of bringing the reasonably expected production within the Bankhead allotment for the farm for 1935, the cotton soil depleting base for the farm will be determined upon the basis of the planted acreage in 1935 plus the rented acreage in 1935.<sup>3</sup>

2. If the farm was not covered in 1935 by a CARC the base shall be determined upon the basis of the first applicable combination of years in order of presentation below:

(a) If cotton was planted in 4 or 5 years of the period 1928 to 1932, the base shall be determined upon the basis of the total acreage planted to cotton during the 4 or 5 years divided by 4 or 5, as the case may be.

(b) If cotton was planted in only 3 years of the period 1928 to 1932, one of which was either 1931 or 1932, the base shall be determined upon the basis of the total acreage planted to cotton during the 3 years divided by 3.

(c) If cotton was planted in only 1931 and 1932 of the period 1928 to 1932, the base shall be determined upon the basis of the total acreage planted to cotton during the 2 years divided by 2.

(d) If cotton was planted in 1932 and in 1933, but neither (a), (b), or (c) above is applicable, the base shall be determined upon the basis of the total acreage planted to cotton during the 2 years divided by 2.

(e) If cotton was planted in 1933 but neither (a), (b), (c), or (d) above is applicable, the base shall be determined upon the basis of the actual acreage planted to cotton in 1933 (irrespective of the fact that cotton may have been planted in 1931).

(f) If cotton was planted in 1934 and in 1935 but not in 1933, and neither (a), (b), (c), or (d) above is applicable, the base shall be determined upon the basis of the total acreage planted to cotton during the 2 years divided by 2, provided that the average acreage so determined shall not be a greater percentage of the total acreage in cultivation on the farm in 1935 than the pertinent percentage.<sup>4</sup>

(g) If cotton was planted in 1934 or 1935 but not in 1933, and neither (a), (b), (c), nor (f) above is applicable, the base shall be determined upon the basis of the actual acreage planted to cotton in such year, provided that the acreage stipulated as the acreage planted to cotton in such year on the farm shall not be a greater percentage of the total acreage in cultivation on the farm in 1935 than the pertinent percentage.<sup>4</sup>

**C. Yield per Acre.**—The yield of lint cotton per acre for each farm for which a work sheet is filed shall, in accordance with the following standard, be designated by the appropriate community committee, subject to such adjustment as the county committee finds necessary in order that the total cotton soil depleting bases for all farms in the county

<sup>3</sup> In the event that information now available shows that the base acreage for a farm stipulated in a CARC was not correct, the community committee, subject to the approval of the county committee, shall use the correct figure in determining the cotton soil depleting base.

<sup>4</sup> That percentage which the sum of the acreage planted to cotton in the county by CARC signers in 1935 plus the acreage rented to the Secretary in the county in 1935 is of the total acreage in cultivation in 1935 on farms under CARC in 1935 in the county in which the farm is located, such percentage being determined by the State Committee from official statistics.



for which work sheets are submitted shall not exceed their proportionate share of the total base established for the county.

Each farm covered by a work sheet shall be inspected by at least one member of the community committee serving for the community in which the farm is located, who shall report the facts to the community committee before the yield of lint is designated for the farm. The yield designated for any farm shall be that yield which the community committee finds from all the available facts to be the yield which could have been reasonably expected from the land devoted to the production of cotton on the farm as an average yield during the 5-year period 1928 to 1932. Such findings shall be examined by the county committee in the light of all available facts and approved or modified by it accordingly.

In designating such yield, the committees shall give the greatest weight to the yield per acre of cotton which was produced on the farm during such of the 8 years, 1928 to 1935, as cotton was produced thereon. However, in designating the yield due consideration shall be given by the committees to the trend of yield per acre as well as to the effect on the yield per acre of the types of soil, drainage, erosion, and fertility of land. Other facts bearing on the yield which might reasonably have been expected from this land during the 1928-1932 period, including unusual weather conditions, shall be given due weight in designating the yield. Since, in some cases, records are not available with which to determine the 5-year cotton history during the period 1928-1932 for the farm, the three years 1933 to 1935 may be used to indicate what such farm would have produced in the 5-year period. For example, if production figures for the farm show an average yield of 200 pounds of lint cotton per acre and the 5-year 1928-1932 average yield for the community is 10 percent lower or higher than the 3-year 1933-1935 average yield for the community, the average yield for the farm for the 3 years 1933-1935 should be reduced or raised 10 percent, as the case may be.

#### SECTION 22. Peanut Soil Depleting Base and Yield.

A. Farms for which bases may be established.—A peanut soil depleting base may be established for a farm if peanuts were produced on such farm in—

1. 1935 or 1934, or
2. 1935 and one or both of the years 1931 and 1932, but not in 1933 or 1934.

B. Acreage to be used in determination of base.—The peanut soil depleting base for a farm shall be determined upon the basis of whichever of the following is applicable, subject to adjustment as provided in Section 24 below.<sup>5</sup>

1. For any farm covered by a peanut production adjustment contract in 1935, the base shall be determined upon the basis of the allotted peanut acreage under such contract.
2. For any farm which was not covered by a peanut production adjustment contract in 1935 and on which peanuts were produced in one or both of the years 1933 and 1934, the base shall be determined upon the basis of whichever of the following is the largest:

- (a) The average acreage of peanuts on such farm in the years 1933 and 1934; or
- (b) 90 percent of the acreage of peanuts on such farm in 1933; or
- (c) 90 percent of the acreage of peanuts on such farm in 1934.

3. For any farm which was not covered by a peanut production adjustment contract in 1935 and on which peanuts were produced in 1935 and one or both of the years 1931 and 1932, but not in 1933 or 1934, the base shall be determined upon the basis of whichever of the following is the largest:

- (a) 75 percent of the average of peanuts on such farm in the years 1931 and 1932; or

<sup>5</sup>The peanut soil depleting base for two or more farms owned or operated by the same person in the county shall not exceed the base which could be established for such farms if they were all included in one work sheet.

- (b) 60 percent of the average of peanuts on such farm in 1931; or

- (c) 60 percent of the acreage of peanuts on such farm in 1932.

4. A peanut soil depleting base larger or smaller than that determined under 1, 2, or 3, above may be established for any farm, provided the County Committee finds that such larger or smaller base is equitable for such farm in relation to neighboring farms having similar soils and facilities for the production of peanuts, taking into account the crop acreage for the farm, the number of families growing peanuts on the farm in 1935, and the peanut history of the farm.

C. Yield per Acre.—The yield per acre of peanuts for each farm for which a work sheet is filed shall be recommended by the community and county committees in accordance with the following:

1. The average yield per acre of peanuts on the farm in the two years 1934 and 1935; or

2. A yield per acre which is greater or less than such 1934 and 1935 average yield and which the County Committee finds to be the average yield for neighboring farms having similar soils and capacity for the production of peanuts.

SECTION 23. General Soil Depleting Base.—The general soil depleting base for soil depleting crops other than cotton, tobacco, and peanuts shall be the acreage of such crops harvested on the farm in 1935, subject to adjustment as provided in Section 24 below.

SECTION 24. Adjustments in Determining Soil Depleting Bases.—The following adjustments shall be made in determining the soil depleting bases for any farm.

A. The 1935 "contracted" or "rented" acreage, under any cotton or tobacco contract shall be deducted from the 1935 harvested acreage of the crops or the other land use to which it was devoted.

B. If, for any farm, the sum of the soil depleting bases determined for cotton, tobacco, and peanuts should exceed the annual average of the total acreage of such crops harvested in a representative period preceding 1934 (meaning a period which the County Committee finds fairly reflects the usual acreages of such crops), the soil depleting bases shall be adjusted downward to a figure not in excess of the total acreage of such crops harvested in such representative period preceding 1934.

C. The 1935 "contracted", "rented", or "retired" acreage under a commodity adjustment contract other than a cotton or tobacco contract, which was not used for the production of a soil depleting crop shall be added to the 1935 harvested acreage of the crop covered by such contract and subtracted from the 1935 acreage of the other crop or land use.

D. Where, because of unusual weather conditions, the acreage of soil depleting crops harvested in 1933 was less than the number of acres of such crops usually harvested on the farm, such acreage shall be increased to the acreage which is comparable with the acreage of such crops harvested on such farm under normal conditions in past years.

E. Where the 1935 acreage of soil depleting crops for any farm, adjusted, if necessary, as indicated above, is materially greater or less than such acreage on farms in the same community which are similar with respect to size, type of soil, topography, production facilities, and farming practices, such adjustment shall be made as will result in a soil depleting base for such farm which is fair and equitable as compared with the soil depleting bases for such other similar farms.

SECTION 25. Separate Soil Depleting Bases Must Equal Total Soil Depleting Base.—The general soil depleting base, together with any soil depleting bases for cotton, tobacco, and peanuts, will equal the total soil depleting base established for each farm. If the sum of the separate bases determined as indicated above should exceed the total soil depleting base for the farm, the separate bases shall be equitably adjusted to eliminate the excess.



**SECTION 26. Productivity of Land in General Soil Depleting Base.**—The productivity of land devoted to crops in the general soil depleting base (crops other than cotton, peanuts, and tobacco) will be determined as follows:

The County Committee will, subject to the approval of the State Committee, designate the principal soil depleting crop and two alternate principal crops in each county, or designated parts of such county. The two-year 1934-1935 average yield per acre for the farm of the designated principal crop compared with the average yield of such crop for the county will be used, wherever applicable, as a measure of the productivity of land for the crops in the general soil depleting base. If the designated principal crop does not fairly reflect the productivity of the farm, then whichever one of the alternate crops is the more accurate measure shall be used. If the County Committee determines that the productivity of any farm is not accurately measured by the yield of any one of the designated three crops, the Committee will designate, in lieu of such crops, such other crop as it finds will most accurately measure the productivity of the land in the general soil depleting base of such farm.

The ratio of the 1934-1935 average yield per acre of the designated crop for the farm to the yield per acre of the same crop on all farms for which work sheets have been submitted in the county will be used as the measure of productivity or productivity index for the farm: *Provided, however*, That if the County Committee finds that such ratio is not representative of the productivity of the farm as compared with other farms in the county having similar soils and productive capacity, the ratio shall be adjusted so as to be fair and equitable as compared with such other farms in the county: *And provided further*, That the average of the productivity indexes for all farms for which work sheets have been submitted in the county, weighted by the respective general soil depleting bases for such farms, shall not exceed 100, unless a variance from such ratio is recommended by the State Committee and approved by the Agricultural Adjustment Administration.

The rate per acre of the soil-conserving payment for any farm for diversion of land from the general soil depleting base will be the county average rate per acre for such payment, increased or decreased by the percentage which the productivity index of such farm is above or below 100.

**SECTION 27. Determination of Corn or Sorghum Acreage and Legume Acreage Where Interplanted.**—The acreage of corn, sweet corn, grain sorghum, and sweet sorghum, when interplanted with summer legumes prior to or in 1936, shall be divided according to the actual amount of such acreage occupied by each interplanted crop: *Provided*, That no part of the acreage shall be considered as legume crop acreage unless the legume crops occupy at least one-third of such land and attain a good growth: *And provided further*, That when corn or sweet corn is interplanted with summer legumes the proportion of such interplanted acreage counted as corn or sweet corn shall be at least equal to the proportion which the number of stalks of corn or sweet corn is of 9,000, except that the entire acreage will be counted as corn or sweet corn if the number of stalks per acre exceed 6,000.

**SECTION 28. Soil Conserving Payment in Connection with Interplanted Crops and Small Grain Crops.**—No soil conserving payment shall be made pursuant to the provisions of section 2 of Part II of ECR Bulletin 1, Revised, with respect to the diversion of acreage of food and feed grains from the general soil depleting base to soil conserving crops, if such diversion is accomplished by changing from the planting alone of crops in the general soil depleting base, prior to 1936, to the interplanting of such crops with legumes in 1936, or if such diversion is accomplished by changing from small grains not immediately followed by or grown in combination with a legume, prior to 1936, to small grains immediately followed by or grown in combination with a legume in 1936.

**SECTION 29. Acreage Diverted from Soil Depleting Crops.**—Only that acreage of crop land seeded in 1936 to soil conserving crops from which no soil depleting crop is harvested in 1936 shall be counted in determining the acreage diverted

from any soil depleting base to the production of any soil conserving crop pursuant to the provisions of section 2 of part II of ECR Bulletin 1, Revised, except that acreage of crop land in soil conserving crops, seeded prior to 1936, may be counted in such determination if all the crop land on the farm is used in 1936 for the production of soil conserving and soil depleting crops.

In testimony whereof, H. A. Wallace, Secretary of Agriculture, has hereunto set his hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington, District of Columbia, this 9th day of May 1936.

[SEAL]

H. A. WALLACE,  
Secretary of Agriculture.

[Filed, May 9, 1936; 11:44 a. m.]

W. R.—B. 2—Idaho—1

Issued May —, 1936

1936 AGRICULTURAL CONSERVATION PROGRAM—WESTERN REGION

BULLETIN NO. 2—IDAHO—1

Pursuant to the authority vested in the Secretary of Agriculture under Section 8 of the Soil Conservation and Domestic Allotment Act, Western Region Bulletin No. 1, Revised, is hereby supplemented and revised in part with respect to its application to the State of Idaho, but not otherwise, as follows:

**SECTION 1. Soil Building Practices and Rates of Payment.**—In accordance with the provisions of Section 1, Part II of Western Region Bulletin No. 1, Revised, and subject to the conditions of said bulletin, payments will be made for the carrying out in 1936 of soil building practices in the State of Idaho, or in such counties thereof as are specified below,<sup>1</sup> as follows:

*Practices—Rate of payment per acre—Conditions*

(a) Seeding and Growing of:

(1) *Perennial grasses or pasture mixtures of grasses and legumes:* \$3.50, (a) when seeded on irrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936; \$2.00, (b) when seeded on nonirrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936.

(2) *Winter wheat or winter rye in Southern Idaho:* \$1.00, when seeded in the spring of 1936 and grown in 1936 on nonirrigated crop land and utilized only as a cover crop.

(3) *Legumes:*

(a) All legumes except alfalfa and red clover: \$3.50, (i) when seeded on irrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936; \$1.50, (ii) when seeded on nonirrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936.

(b) Alfalfa or red clover: \$3.00, (i) when seeded on irrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936; \$2.00, (ii) when seeded on nonirrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936.

(4) *Green manure crops:* \$2.00, when seeded on crop land between the fall of 1935 and July 31, 1936, and grown and turned under as green manure prior to October 31, 1936, after attaining at least two months' growth with no utilization for grain, hay, seed, or canning purposes.

(5) *Forest trees:* \$5.00, when planted on crop land between September 1, 1935, and October 31, 1936, inclusive, and grown in 1936.

(b) *Cultural practices:*

(1) *Perennial noxious weed control:*

(a) Chemical treatment: \$10.00, when a seriously infested plot of crop land, the location of which is previously filed with the County Committee, is controlled by means of the applica-

<sup>1</sup> Unless otherwise specified, the practices, rates of payment, and conditions are applicable to the entire State. If a particular area of the State is specified for any practice, payment will be made for such practice only in the area of the State so specified. As used herein, "Southern Idaho" means the territory included within the counties of Adams, Washington, Payette, Gem, Canyon, Owyhee, Ada, Boise, Valley, Elmore, Lemhi, Custer, Blaine, Camas, Gooding, Lincoln, Jerome, Twin Falls, Minidoka, Cassia, Oneida, Power, Butte, Clark, Jefferson, Fremont, Madison, Teton, Bonneville, Bingham, Bannock, Caribou, Bear Lake, and Franklin.

<sup>2</sup> Perennial noxious weeds shall include: Morning glory or bindweed, white top or hoary cress, Russian knapweed, leafy spurge, perennial sow thistle, Canada thistle, perennial ground cherry, blue flowering lettuce, poverty weed, and wild snap dragon.



tion of chemicals and periodic cultivation, in accordance with recommendations of the State Agricultural Experiment Station approved by the Director of the Western Division.

(b) Periodic cultivation: \$5.00, when a seriously infested plot of crop land, the location of which is previously filed with the County Committee, is controlled by means of periodic cultivation, in accordance with recommendations of the State Agricultural Experiment Station approved by the Director of the Western Division.

(2) Seeding legumes or grass crops on nonirrigated crop land in Southern Idaho that has been trashy fallowed in the spring and summer of 1936: \$2.50, trashy fallowing in the spring and summer of 1936 followed by seeding of legumes or grass crops prior to October 31, 1936. In such fallowing, straw is spread, neither pastured nor burned, and a disk type plow, chisel, rod weeder, double disk drill, or other such tillage implements are used in place of a moldboard plow so as to leave the dead stubble and plant growth distributed on or near the surface to check blowing. The seeding of legumes or grass crops subsequent to such fallowing will qualify for payment only under the provisions of this subsection (B) (2).

No payments will be made for any of the practices listed above unless good seed is used and the practices are carried out in a workmanlike manner in conformity with cultural methods generally recognized as desirable for the locality. In the event that any labor, seed, or materials used in connection with any of such practices has been furnished free by any municipal, county, State or Federal agency, payments may be withheld or reduced by an amount equal to the value of the labor, seed, or materials so furnished.

A good stand of legumes or grass crops will constitute proof of seeding. However, if a good stand is not obtained because of unfavorable weather conditions or insect infestations, such proof may be waived and other proofs accepted upon recommendation of the State Committee and the approval of the Director of the Western Division.

**SECTION 2. Seeding of Grasses or Legumes with Nurse or Companion Crops Harvested for Grain or Hay.**—Soil building payments with respect to the seeding of grasses and legumes at such rates and under such conditions as are specified in Section 1 (A) above will be made if seeded with a nurse or companion crop harvested for grain or hay: *Provided, however,* That such acreage shall not be regarded as devoted to a soil conserving crop for any purpose whatsoever.

**SECTION 3. Summer Fallow; Additional Soil Depleting Crops.**—Crop land devoted to summer fallow or to any of the following crops which are in addition to the crops listed in Section 1, Part IV of Western Region Bulletin No. 1, Revised, shall be regarded as used for the production of a soil depleting crop:

(a) Root crops, including mangels, rutabagas, turnips, and carrots;

(b) Land devoted to orchards, vineyards, tree fruits, cane fruits or nut trees, when clean cultivated, or when a soil depleting crop is grown between the rows.

**SECTION 4. Soil Conserving Crops.**—Crop land devoted to any of the following crops shall be regarded as used for the production of a soil conserving crop within the meaning of Section 2, Part IV of Western Region Bulletin No. 1, Revised:

(a) Land devoted to orchards, vineyards, tree fruits, cane fruits or nut trees when interplanted with soil conserving crops. Only the land occupied by the interplanted soil conserving crop shall be regarded as used for the production of a soil conserving crop;

(b) Winter wheat or rye seeded in the spring of 1936 and utilized only as a cover crop.

**SECTION 5. Soil Building Practices Which May Be Substituted for Soil Conserving Crops.**—Crop land upon which the following soil building practices are carried out shall be regarded as land used for the production of a soil conserving crop within the meaning of Section 2, Part II, of Western Region Bulletin No. 1, Revised, for the purpose of fulfilling all requirements of said bulletin with respect to soil conserving crops:

(a) Perennial noxious weed control when practiced in accordance with the provisions of Section 1 (B) (1) above;

(b) Seeding of legumes or grass crops on non-irrigated crop land in Southern Idaho that has been trashy fallowed

in the spring and summer of 1936, when such seeding and fallowing are practiced in accordance with the provisions of Section 1 (B) (2) above.

**SECTION 6. Minimum Acreage of Soil Conserving Crops for Summer Fallow Counties of Idaho.**—With respect only to the summer fallow counties of Idaho, the minimum acreage of soil conserving crops specified in Section 7 (a), Part II, of Western Region Bulletin No. 1, Revised, is hereby reduced to a minimum acreage equal to at least 7½ per cent of the general soil depleting base.

In testimony whereof, H. A. Wallace, Secretary of Agriculture, has hereunto set his hand and caused the official seal of the Department of Agriculture to be affixed in the City of Washington, District of Columbia, this 7th day of May 1936.

[SEAL]

H. A. WALLACE,  
Secretary of Agriculture.

[Filed, May 9, 1936; 11:45 a. m.]

W. R.—B. 2—Oregon—1

Issued May —, 1936

1936 AGRICULTURAL CONSERVATION PROGRAM—WESTERN REGION

BULLETIN NO. 2—OREGON—1

Pursuant to the authority vested in the Secretary of Agriculture under Section 8 of the Soil Conservation and Domestic Allotment Act, Western Region Bulletin No. 1, Revised, is hereby supplemented and revised in part with respect to its application to the State of Oregon, but not otherwise, as follows:

**SECTION 1. Soil Building Practices and Rates of Payment.**—In accordance with the provisions of Section 1, Part II of Western Region Bulletin No. 1, Revised, and subject to the conditions of said bulletin, payments will be made for the carrying out in 1936 of soil building practices in the State of Oregon, or in such counties thereof as are specified below,\* as follows:

*Practices—Rate of payment per acre—Conditions*

(a) Seeding and Growing of:

(1) Perennial grasses or pasture mixtures of grasses and legumes: \$3.50, (a) when seeded on irrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936; \$2.00, (b) when seeded on nonirrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936.

(2) Winter wheat or winter rye in Eastern Oregon: \$1.00, when seeded in the spring of 1936 and grown in 1936 on crop land and utilized only as a cover crop.

(3) Legumes:

(a) Clover, (except red, ladino, and sweet clover) in Western Oregon: \$2.50, (i) when seeded on irrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936; \$1.50, (ii) when seeded on non-irrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936; \$2.00, (iii) when seeded with rape between March 1, 1936, and July 1, 1936, inclusive.

(b) Alfalfa or red clover in Western Oregon: \$3.00, (i) when seeded on irrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936; \$2.00, (ii) when seeded on non-irrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936.

(c) Ladino clover in Western Oregon: \$4.00, when seeded on irrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936.

\* As used herein, "summer fallow counties of Idaho" means the territory included within the counties of Kootenai, Benewah, Shoshone, Latah, Clearwater, Nez Perce, Lewis, Idaho, Adams, Valley, Washington, Gem, Boise, Canyon, Ada, Elmore, Camas, Fremont, Madison, Teton, Bonneville, Bingham, Power, Bannock, Caribou, Twin Falls, Cassia, Oneida, Franklin, and Bear Lake.

\* Unless otherwise specified, the practices, rates of payment, and conditions are applicable to the entire State. If a particular area of the State is specified for any practice, payment will be made for such practice only in the area of the State so specified. As used herein, "Eastern Oregon" means the territory included within the counties of Wasco, Jefferson, Sherman, Gilliam, Morrow, Umatilla, Wheeler, Union, Walla, Baker, Malheur, Grant, Crook, Deschutes, Klamath, Lake, Harney, and Hood River. As used herein, "Western Oregon" means the territory included within the counties of Clatsop, Columbia, Tillamook, Washington, Multnomah, Yamhill, Polk, Clackamas, Lincoln, Benton, Marion, Linn, Coos, Lane, Douglas, Curry, Josephine, and Jackson.



(d) Alfalfa or sweet clover in Eastern Oregon: \$1.00, (i) when planted on crop land in rows between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936; \$1.50, (ii) when solid planted on crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936.

(e) Peas in Eastern Oregon: \$2.00, when seeded on crop land in the spring of 1936 and grown in 1936 and entire plant plowed under as green manure.

(4) Green manure crops: \$2.00, when seeded on crop land between the fall of 1935 and July 31, 1936, and grown and turned under as green manure prior to October 31, 1936, after attaining at least two months' growth.

(5) Forest trees in Eastern Oregon: \$5.00, when planted on crop land between September 1, 1935, and October 31, 1936, inclusive, and grown in 1936.

(b) Cultural practices:

(1) Perennial noxious weed<sup>2</sup> control:

(a) Chemical treatment: \$10.00, when a seriously infested plot of crop land, the location of which is previously filed with the County Committee, is controlled by means of the application of chemicals and periodic cultivation, in accordance with recommendations of the State Agricultural Experiment Station approved by the Director of the Western Division.

(b) Periodic cultivation: \$5.00, when a seriously infested plot of crop land, the location of which is previously filed with the County Committee, is controlled by means of periodic cultivation, in accordance with recommendations of the State Agricultural Experiment Station approved by the Director of the Western Division.

(2) Controlled summer fallowing in Eastern Oregon:

(a) Trashy fallowing: \$.50, straw spread and neither pastured nor burned. Disk type plow, chisel, rod weeder, double disk drill or other such tillage implements used in place of a mold-board plow so as to leave the dead stubble and plant growth distributed on or near the surface to check blowing.

(b) Strip fallowing: \$.50, when fallow land is plowed or otherwise cultivated in strips or fields not more than 20 rods in width, preferably at right angles to the prevailing wind, and with intervening strips of small grain stubble or crops in 1936 of approximately equal width. Payment shall be made only on an amount of land used for this practice in 1936 which is in excess of any amount of land used in 1935 for this practice.

(c) Contour strip fallowing: \$.75, when performed in accordance with specifications of the State Committee approved by the Director of the Western Division.

(3) Disking in of alfalfa on irrigated land in Eastern Oregon: \$6.00, alfalfa allowed to mature in 1936 and then disked in with no hay or seed crop harvested therefrom in 1936.

(4) Seeding legumes or grass crops on dry land areas of Eastern Oregon that have been trashy fallowed in the spring and summer of 1936: \$2.50, this practice is a combination of the practices specified in subsections (A) (1) and (B) (2) (a) above, and may qualify for payment only under the provisions of this subsection (B) (4).

No payments will be made for any of the practices listed above unless good seed is used and the practices are carried out in a workmanlike manner in conformity with cultural methods generally recognized as desirable for the locality. In the event that any labor, seed, or materials used in connection with any of such practices has been furnished free by any municipal, county, State, or Federal agency, payments may be withheld or reduced by an amount equal to the value of the labor, seed, or materials so furnished.

A good stand of legumes or grass crops will constitute proof of seeding. However, if a good stand is not obtained because of unfavorable weather conditions or insect infestations, such proof may be waived and other proofs accepted upon recommendation of the State Committee and the approval of the Director of the Western Division.

**SECTION 2. Seeding of Grasses or Legumes with Nurse or Companion Crops Harvested for Grain or Hay.**—Soil building payments with respect to the seeding of grasses and legumes at such rates and under such conditions as are specified in Section 1 (A) above will be made if seeded with a nurse or companion crop harvested for grain or hay; *Provided, however,* That such acreage shall not be regarded as devoted to a soil conserving crop for any purpose whatsoever.

**SECTION 3. Summer Fallow; Additional Soil Depleting Crops.**—Crop land devoted to summer fallow or to any of the following crops, which are in addition to the crops listed in

<sup>2</sup> Perennial noxious weeds shall include: Morning glory or bindweed, white top or hoary cress, Russian knapweed, leafy spurge, perennial sow thistle, Canada thistle, perennial ground cherry, blue flowering lettuce, poverty weed, and wild snap dragon.

Section 1, Part IV of Western Region Bulletin No. 1, Revised, shall be regarded as used for the production of a soil depleting crop:

(a) Nursery stock;

(b) Land devoted to orchards, vineyards, tree fruits, cane fruits, or nut trees, when clean cultivated, or when a soil depleting crop is grown between the rows.

**SECTION 4. Soil Conserving Crops.**—Crop land devoted to any of the following crops shall be regarded as used for the production of a soil conserving crop within the meaning of Section 2, Part IV of Western Region Bulletin No. 1, Revised:

(a) Bent grass, tall oat grass;

(b) Land devoted to orchards, vineyards, tree fruits, cane fruits, or nut trees when interplanted with soil conserving crops. Only the land occupied by the interplanted soil conserving crop shall be regarded as used for the production of a soil conserving crop;

(c) Winter wheat or rye seeded in the spring of 1936 and utilized only as a cover crop.

**SECTION 5. Soil Building Practices Which May Be Substituted for Soil Conserving Crops.**—Crop land upon which the following soil building practices are carried out shall be regarded as land used for the production of a soil conserving crop within the meaning of Section 2, Part II of Western Region Bulletin No. 1, Revised, for the purpose of fulfilling all requirements of said bulletin with respect to soil conserving crops:

(a) Perennial noxious weed control when practiced in accordance with the provisions of Section 1 (B) (1) above;

(b) Disking in of alfalfa when practiced in accordance with the provisions of Section 1 (B) (3) above;

(c) Seeding of legumes or grass crops on dry land areas of Eastern Oregon that have been trashy fallowed in the spring and summer of 1936 when practiced in accordance with the provisions of Section 1 (B) (4) above.

**SECTION 6. Minimum Acreage of Soil Conserving Crops for Eastern Oregon.**—With respect to Eastern Oregon only, the minimum acreage of soil conserving crops specified in Section 7 (a), Part II of Western Region Bulletin No. 1, Revised, is hereby reduced to a minimum acreage equal to at least 7½ per cent of the general soil depleting base.

**SECTION 7. Controlled Summer Fallow Included in Computing Soil Building Allowance.**—Crop land upon which controlled summer fallow is practiced in accordance with the provisions of Section 1 (B) (2) above shall be regarded as devoted to a soil conserving crop within the meaning of Section 2, Part IV of Western Region Bulletin No. 1, Revised, for the purpose of computing the soil building allowance, but such crop land shall not be regarded as devoted to a soil conserving crop for any other purpose.

In testimony whereof, H. A. Wallace, Secretary of Agriculture, has hereunto set his hand and caused the official seal of the Department of Agriculture to be affixed in the City of Washington, District of Columbia, this 7th day of May, 1936.

[SEAL]

H. A. WALLACE,  
Secretary of Agriculture.

[Filed, May 9, 1936; 11:46 a. m.]

W. R.—B. 2—Washington—1

Issued May —, 1936

1936 AGRICULTURAL CONSERVATION PROGRAM—WESTERN REGION

BULLETIN NO. 2—WASHINGTON—1

Pursuant to the authority vested in the Secretary of Agriculture under Section 8 of the Soil Conservation and Domestic Allotment Act, Western Region Bulletin No. 1, Revised, is hereby supplemented and revised in part with respect to its application to the State of Washington, but not otherwise, as follows:

**SECTION 1. Soil Building Practices and Rates of Payment.**—In accordance with the provisions of Section 1, Part II of Western Region Bulletin No. 1, Revised, and subject to the conditions of said bulletin, payments will be made for the carrying out in 1936 of soil building practices in



the State of Washington, or in such parts thereof as are specified below,<sup>1</sup> as follows:

**Practices—Rate of payment per acre—Conditions**

(a) Seeding and Growing of:

(1) *Perennial grasses or pasture mixtures of grasses and legumes*: \$3.50, (a) when seeded on irrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936; \$2.00, (b) when seeded on nonirrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936.

(2) *Winter wheat or winter rye in dry land areas of Washington*: \$1.00, when seeded in the spring of 1936 and grown in 1936 on non-irrigated crop land and utilized only as a cover crop.

(3) *Legumes*:

(a) All legumes except alfalfa and red clover: \$2.50, when seeded on irrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936; \$1.50, when seeded on non-irrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936.

(b) Alfalfa or red clover: \$3.00, when seeded on irrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936; \$2.00, when seeded on non-irrigated crop land between the fall of 1935 and October 31, 1936, inclusive, and grown in 1936.

(4) *Green manure crops*: \$2.00, when seeded on crop land between the fall of 1935 and July 31, 1936, and grown and turned under as green manure prior to October 31, 1936, after attaining at least two months' growth with no utilization for grain, hay, seed, or canning purposes.

(5) *Forest trees*: \$5.00, when planted on crop land between September 1, 1935, and October 31, 1936, inclusive, and grown in 1936.

(b) Cultural practices:

(1) *Perennial noxious weed<sup>2</sup> control*:

(a) Chemical treatment: \$10.00, when a seriously infested plot of crop land, the location of which is previously filed with

<sup>1</sup> Unless otherwise specified, the practices, rates of payment, and conditions are applicable to the entire State. If a particular area of the State is specified for any practice, payment will be made for such practice only in the area of the State so specified. As used herein, "dry land areas of Washington" means the area in the State of Washington which has less than 15 inches average annual precipitation, and consists of the territory included within the counties of Benton, Grant, Douglas, Franklin, Adams, and Yakima, and the territory included within the following precincts of the following counties:

Okanogan: Mazama, Winthrop, Nighthawk, Ellemahan, Oroville-1, Oroville-2, Chesaw, Bodie, Wauconda, Tonasket-1, Tonasket-2, Loomis, Beeman, Tuna Creek, Aeneas, San Poil, Disautel, Nespelem, Dudley Lake, Okanogan-1, Okanogan-2, Cameron, Omak-1, Omak-2, Omak-3, Omak-4, Monse-1, Monse-2, Boston, Malott-1, Malott-2, Pleasant Valley, Spring Coulee, Pine Creek, Conconully, Twisp-1, Twisp-2, Carlton, Methow, Pateros, Brewster, Huntley, Chelan County: Arwell, Wapato, Boyd, Manson, Lakeside, First Creek, Chelan Station, Chelan, Chelan Falls, Winsap, McKenzie, Entiat, Monitor, Sunnyslope, Suburban, Wenatchee, Warner, Lincoln, Apple Yard, Stemilt, Clockum, Malaga, Lewis and Clark, Valley, Canyon, Millersdale, Kittitas County: Colocum, E. Kittitas, N. Kittitas, S. Kittitas, N. Ellensburg, S. Ellensburg, Ellensburg, Liberty, Upper Teanaway, Roslyn, Swauk, Teanaway, Cle Elum, W. Kittitas, Ridgeway, Manastash, Sanders, Wymer, Kittitas, Columbia River, Peoh Point, Klickitat County: Part of T. 6, R. 13, 14, 15, 17, 18, 19, 20, Woodland, Spring Creek, Centerville, Wishram, Columbus, Goldendale, Pleasant, Cliffs, Sand Springs, Cleaveland, Alder Creek, Spring Canyon, Dead Canyon, Alderdale, Roosevelt, Hardison, Shepard, 4, 8; Ferry County: Toroda, Danville, Curlew, Malo, W. Republic, E. Republic, San Poil, West Fork, Keller, Hazelmere, Corvada; Stevens County: Harvey Cr., Hunters, Spring Valley, Unorganized Territory, Wellpinit; Spokane County: Espanola, Tyler, Graves; Lincoln County: Grand Coulee, Columbia, Condon, Sherman, Creston, Peach, Egypt, Lincoln, Miles, Spokane Valley, Indian Cr., Mondovi, Reardan, Larene, Victory, N. Davenport, E. Davenport, W. Davenport, Rocklyn, Telford, North Wilbur, South Wilbur, Govan, Almire, Finn, Wilson Creek, Mountain View, Cottage School, Earl, Enos, Irby, West Odessa, Layton, Yarwood, East Odessa, Lamona, W. Harrington, E. Harrington, Moscow, Edwall, Waukon, N. Sprague, S. Sprague, Sedalia, Crab Creek, Mohler, Downs; Whitman County: Rock Cr., Lamont, Union, Ewan, Winona, Lacrosse, Hooper, Pampa, Texas, Hay, Penawawa, Leroy, Almota; Asotin County: Alpowa, Clarkston Heights, South Clarkston, West Highland, Highland, Clarkston, West Clarkston; Garfield County: Tucan, Ping, Mayview, Pleasant; Columbia County: Lost Springs, Alto, Railroad, Smith Hollow, Tucan, Starbuck, Starbuck Country, Ping; Walla Walla County: Clyde, Burbank, Attalla, Wallula, Gardena, Hill, Eureka, Frenchtown, Bradden, Garrison, E. College Place, W. College Place, Ritz, Blalock, Walla Walla City, Gose, Baker, Hadley, Prescott, Lincoln, Lower Dry Creek.

<sup>2</sup> Perennial noxious weeds shall include: Morning glory or bindweed, white top or hoary cress, Russian knapweed, leafy spurge, perennial sow thistle, Canada thistle, perennial ground cherry, blue flowering lettuce, poverty weed, and wild snap dragon.

the County Committee, is controlled by means of the application of chemicals and periodic cultivation, in accordance with recommendations of the State Agricultural Experiment Station approved by the Director of the Western Division.

(b) Periodic cultivation: \$5.00, when a seriously infested plot of crop land, the location of which is previously filed with the County Committee, is controlled by means of periodic cultivation, in accordance with recommendations of the State Agricultural Experiment Station approved by the Director of the Western Division.

(2) *Seeding legumes or grass crops on dry land areas of Washington that have been trashy fallowed in the spring and summer of 1936*: \$2.50, trashy fallowing in the spring and summer of 1936 followed by seeding of legumes or grass crops prior to October 31, 1936. In such fallowing, straw is spread, neither pastured nor burned, and a disk type plow, chisel, rod weeder, double disk drill, or other such tillage implements are used in place of a moldboard plow so as to leave the dead stubble and plant growth distributed on or near the surface to check blowing. The seeding of legumes or grass crops subsequent to such fallowing will qualify for payment only under the provisions of this subsection (B) (2).

No payments will be made for any of the practices listed above unless good seed is used and the practices are carried out in a workmanlike manner in conformity with cultural methods generally recognized as desirable for the locality. In the event that any labor, seed, or materials used in connection with any of such practices has been furnished free by any municipal, county, State, or Federal agency, payments may be withheld or reduced by an amount equal to the value of the labor, seed, or materials so furnished.

A good stand of legumes or grass crops will constitute proof of seeding. However, if a good stand is not obtained because of unfavorable weather conditions or insect infestations, such proof may be waived and other proofs accepted upon recommendation of the State Committee and the approval of the Director of the Western Division.

**SECTION 2. Seeding of Grasses or Legumes with Nurse or Companion Crops Harvested for Grain or Hay.**—Soil building payments with respect to the seeding of grasses and legumes at such rates and under such conditions as are specified in Section 1 (A) above will be made if seeded with a nurse or companion crop harvested for grain or hay: *Provided however*, That such acreage shall not be regarded as devoted to a soil conserving crop for any purpose whatsoever.

**SECTION 3. Summer Fallow; Additional Soil Depleting Crops.**—Crop land devoted to summer fallow or to any of the following crops which are in addition to the crops listed in Section 1, Part IV of Western Region Bulletin No. 1, Revised, shall be regarded as used for the production of a soil depleting crop:

(a) Peppermint;

(b) Root crops, including mangels, rutabagas, carrots, and turnips;

(c) Land devoted to orchards, vineyards, tree fruits, cane fruits, or nut trees, when clean cultivated, or when a soil depleting crop is grown between the rows.

**SECTION 4. Soil Conserving Crops.**—Crop land devoted to any of the following crops shall be regarded as used for the production of a soil conserving crop within the meaning of Section 2, Part IV, of Western Region Bulletin No. 1, Revised:

(a) Land devoted to orchards, vineyards, tree fruits, cane fruits, or nut trees when interplanted with soil conserving crops. Only the land occupied by the interplanted soil conserving crop shall be regarded as used for the production of a soil conserving crop;

(b) Winter wheat or rye seeded in the spring of 1936 and utilized only as a cover crop.

**SECTION 5. Soil Building Practices Which May Be Substituted for Soil Conserving Crops.**—Crop land upon which the following soil building practices are carried out shall be regarded as land used for the production of a soil conserving crop within the meaning of Section 2, Part II, of Western Region Bulletin No. 1, Revised, for the purpose of fulfilling all requirements of said bulletin with respect to soil conserving crops:

(a) Perennial noxious weed control when practiced in accordance with the provisions of Section 1 (B) (1) above;



(b) Seeding of legumes or grass crops on dry land areas of Washington that have been trashy fallowed in the spring and summer of 1936;

(c) In the dry land areas of Washington, land in the process of natural reseeding to downy brome grass (cheat) or other native pasture, when sufficient natural cover or a light stand of a small-grain nurse crop is maintained for the purpose of insuring protection against wind erosion, *provided*, however, that any such nurse crop or any volunteer growth of noxious weeds is clipped before going to seed, and *provided further*, that such land is not used for grazing.

**SECTION 6. Minimum Acreage of Soil Conserving Crops for Summer Fallow Counties of Washington.**—With respect to only the summer fallow counties of Washington, the minimum acreage of soil conserving crops specified in Section 7 (a), Part II, of Western Region Bulletin No. 1, Revised, is hereby reduced to a minimum acreage equal to at least 7½ per cent of the general soil depleting base.

In testimony whereof, H. A. Wallace, Secretary of Agriculture, has hereunto set his hand and caused the official seal of the Department of Agriculture to be affixed in the City of Washington, District of Columbia, this 7th day of May 1936.

[SEAL]

H. A. WALLACE,  
Secretary of Agriculture.

[Filed, May 9, 1936; 11:45 a. m.]

**ORDER REGULATING THE HANDLING OF WATERMELONS GROWN IN FLORIDA, GEORGIA, NORTH CAROLINA, AND SOUTH CAROLINA**

Whereas it is provided in Section 8c of the Agricultural Adjustment Act, approved May 12, 1933, as amended (hereinafter called the act), as follows:

(1) The Secretary of Agriculture shall, subject to the provisions of this section, issue, and from time to time amend, orders applicable to processors, associations of producers, and others engaged in the handling of any agricultural commodity or product thereof specified in subsection (2) of this section. Such persons are referred to in this title as "handlers." Such orders shall regulate, in the manner hereinafter in this section provided, only such handling of such agricultural commodity, or product thereof, as is in the current of interstate or foreign commerce, or which directly burdens, obstructs, or affects interstate or foreign commerce in such commodity or product thereof.

and

Whereas, the Secretary of Agriculture, having reason to believe that the issuance of an order would tend to establish and maintain such marketing conditions for watermelons grown in Florida, Georgia, North Carolina, and South Carolina as would reestablish prices to growers at a level that will give such commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity for the base period, did, pursuant to the provisions of the act and the regulations thereunder, on the 14th day of January 1936, give notice of a hearing to be held at the following times and places: January 29, 1936, Laurinburg, North Carolina; January 31, 1936, Allendale, South Carolina; February 3, 1936, Perry, Georgia; February 5, 1936, Moultrie, Georgia; and February 7, 1936, Gainesville, Florida, on a proposed order regulating the handling of watermelons grown in Florida, Georgia, North Carolina, and South Carolina, and did upon said dates and at said places cause a public hearing to be held thereon, and did give due opportunity to all interested parties to be heard concerning such proposed order; and

Whereas, the Secretary of Agriculture has found and proclaimed that the purchasing power of such watermelons during the base period, August 1909–July 1914, cannot be satisfactorily determined from available statistics of the Department of Agriculture, but that the purchasing power for such watermelons can be satisfactorily determined from available statistics of the Department of Agriculture for the period May 1920–September 1928; and

Whereas, the Secretary of Agriculture has declared and proclaimed the period May 1920–September 1928 to be the base period with respect to such watermelons; and

Whereas, the Secretary of Agriculture finds upon evidence introduced at the said hearing and the record thereof:

(1) That a large part of the annual shipments of watermelons grown in Florida, Georgia, North Carolina, and South Carolina enters into the current of interstate commerce;

(2) That prices received by growers in 1935 were substantially below the level necessary to give such watermelons a purchasing power with respect to articles that farmers buy equivalent to the average purchasing power of such watermelons during the base period May 1920–September 1928;

(3) That the regulation of shipments of watermelons by grades and by sizes, and by other means prescribed by this order will tend to prevent market fluctuations of prices of watermelons, particularly those fluctuations which result in prices so low as to represent losses to growers, and will thereby establish and maintain a more stable market for said commodity and tend to restore prices to growers of watermelons to a level that will have a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of watermelons in the base period;

(4) That the methods provided for the regulation of shipments are fair and equitable;

(5) That this order is limited in its application to the smallest regional production area that is practicable, and that the issuance of several orders applicable to any subdivisions of the regional area covered by this order would not effectively carry out the declared policy of Title I of the act with respect to establishing and maintaining such marketing conditions for watermelons as will reestablish prices to growers that will give such commodity the purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the base period;

(6) That the expenses that will necessarily be incurred by the Control Committee during the season of 1936 for the maintenance and functioning of said committee will be approximately eighteen thousand five hundred dollars (\$18,500); that such expenses are fair and reasonable; and that the prorata share thereof of each handler in the amount of one dollar (\$1.00) for each car of watermelons shipped in interstate or foreign commerce is fair and reasonable and is approved;

(7) That the interest of the consumer is protected by reason of the fact that the order is designed to operate so as to approach the level of prices which it is declared to be the policy of Congress to establish by securing a gradual correction of the current level of prices at as rapid a rate as the Secretary of Agriculture deems it to be in the public interest and feasible in view of the current consumptive demand in the domestic and foreign markets, and by reason of the fact that the order authorizes no action which has for its purpose the maintenance of prices to farmers above the level which it is declared to be the policy of Congress to establish in subsection (1) of section 2 of said Title I;

(8) That the issuance of this order and all of the terms and conditions thereof will tend to establish and maintain such marketing conditions for watermelons as will reestablish prices to growers at a level that will give such commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the base period; and

(9) That there are no differences in the production and marketing of said commodity in the production area included under this order that makes necessary different terms applicable to different parts of such area; and

Whereas, the Secretary of Agriculture finds:

(1) That the marketing agreement regulating the handling of watermelons grown in Florida, Georgia, North Carolina, and South Carolina, executed by him on the 8th

\* As used herein, "summer fallow counties of Washington" means the territory included within the counties of Adams, Asotin, Benton, Chelan, Columbia, Douglas, Ferry, Franklin, Garfield, Grant, Island, Kittitas, Klickitat, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman, and Yakima.



day of May 1936, and upon which a public hearing was held on January 29, January 31, February 3, February 5, and February 7, 1936, was signed by handlers who handled more than fifty (50) percent of the volume of such commodity produced annually; and

(2) That this order regulates the handling of watermelons in the same manner as the said marketing agreement does, and is made applicable only to persons in the respective classes of industrial and commercial activities specified in the aforesaid marketing agreement; and

Whereas, the Secretary of Agriculture finds and determines that the issuance of this order is favored by producers who, during the marketing season of 1935, which the Secretary determines to be a representative period, produced for market at least two-thirds ( $\frac{2}{3}$ ) of the volume of such commodity produced for market within the production area specified in such order;

Now, therefore, it is ordered by the Secretary of Agriculture, acting under the authority vested in him as aforesaid, that the handling of said watermelons in the current of interstate or foreign commerce, or so as directly to burden, obstruct, or affect interstate or foreign commerce in such commodity, from and after the date herein specified, shall be in conformity to, and in compliance with, the terms and conditions of this order.

#### ARTICLE I. DEFINITIONS

##### SECTION 1. As used in this order—

1. The term "Secretary" means the Secretary of Agriculture of the United States.
2. The term "Act" means the Agricultural Adjustment Act approved May 12, 1933, as amended.
3. The term "person" means individual, partnership, corporation, association, and any other business unit.
4. The term "Southeastern States" means the States of Florida, Georgia, South Carolina, and North Carolina.
5. The term "watermelon" means and includes all varieties of watermelons grown within the aforesaid Southeastern States and every grade and size thereof.
6. The term "producer" means any person who produces watermelons for sale.
7. The term "handler" means any person who ships or otherwise handles watermelons or permits another person to ship or otherwise handle watermelons in the name of such first person.
8. The term "to handle" or "to ship" means to convey or cause to be conveyed (other than as a carrier for another) watermelons from a point within the Southeastern States to a market outside such states.
9. The term "District" means any of the following areas:

"South Florida District" means that part of the State of Florida lying within or south of the Counties of Levy, Marion, Putnam, and Flagler.

"North Florida District" means that part of the State of Florida not included in the South Florida District.

"North Georgia District" means that part of the State of Georgia lying within or north of the Counties of Stewart, Webster, Sumter, Wilcox, Telfair, Jeff Davis, Appling, Wayne, and Glynn.

"South Georgia District" means that part of the State of Georgia not included in the North Georgia District.

"South Carolina District" means all of the State of South Carolina.

"North Carolina District" means all of the State of North Carolina.

#### ARTICLE II. CONTROL COMMITTEE

SECTION 1. *Membership and Organization.*—1. A control committee is hereby established consisting of twelve (12) members. The original members and their respective alternates shall be as follows:

- (1) L. D. Edge, Groveland, Florida, whose alternate is W. B. Sanders, Leesburg, Florida, representing producers in the South Florida District;

- (2) B. T. Martin, Newberry, Florida, whose alternate is J. N. Cannon, Falmouth, Florida, representing producers in the North Florida District;

- (3) C. O. McRae, Eustis, Florida, whose alternate is J. B. Neal, McIntosh, Florida, representing handlers from both the South Florida District and the North Florida District;

- (4) W. R. Thrasher, Barwick, Georgia, whose alternate is C. L. Roberts, Doerun, Georgia, representing producers in the South Georgia District;

- (5) Max L. McRae, McRae, Georgia, whose alternate is C. B. Watson, Wellston, Georgia, representing producers in the North Georgia District;

- (6) Roy Parrish, Adel, Georgia, whose alternate is J. J. Parrish, Adel, Georgia, representing the Sowega Melon Growers' Association;

- (7) M. H. O'Neal, Estill, South Carolina, whose alternate is J. St. Clair Guess, Denmark, South Carolina, representing producers in the South Carolina District;

- (8) J. M. Lawton, Columbia, South Carolina, whose alternate is W. C. Lykes, Estill, South Carolina, representing handlers from the South Carolina District;

- (9) A. F. McLean, Rowland, North Carolina, whose alternate is C. E. Upchurch, Raeford, North Carolina, representing producers in the North Carolina District;

- (10) Hinton James, Laurinburg, North Carolina, whose alternate is W. DeB. McEachin, Laurinburg, North Carolina, representing handlers from the North Carolina District; and

- (11) H. L. Cartwright, Tifton, Georgia, and L. E. Holloway, Atlanta, Georgia, whose respective alternates are S. T. Hall, Dublin, Georgia, and J. B. Easterlin, Montezuma, Georgia, representing handlers from both the South Georgia District and the North Georgia District.

The aforesaid members and alternates shall hold office for a term ending with the first Monday in April 1936 and until their successors are selected and qualified.

2. The successors to the above-named members and their respective alternates shall be selected by the Secretary from the respective nominees of the groups hereinafter designated to make nominations.

If nominations are not made for any one or more of such successors as herein provided, the Secretary may select the successors to any member or alternate for which a nomination has not been made, without regard to nominations.

3. Nominations of four (4) persons for a member and his alternate shall be made by each of the following groups:

- (1) Producers of watermelons who, during the year preceding that in which the nominations are being made, produced watermelons in the South Florida District;

- (2) Producers of watermelons who, during the year preceding that in which the nominations are being made, produced watermelons in the North Florida District;

- (3) Producers of watermelons who, during the year preceding that in which the nominations are being made, produced watermelons in the South Georgia District;

- (4) Producers of watermelons, who during the year preceding that in which the nominations are being made, produced watermelons in the North Georgia District;

- (5) Producers of watermelons, who during the year preceding that in which the nominations are being made, produced watermelons in the South Carolina District;

- (6) Producers of watermelons, who during the year preceding that in which the nominations are being made, produced watermelons in the North Carolina District;

- (7) Handlers of watermelons, who during the year preceding that in which the nominations are being made, shipped watermelons from points within the State of Florida;

- (8) Handlers of watermelons, who during the year preceding that in which the nominations are being made, shipped watermelons from points within the State of South Carolina;



(9) Handlers of watermelons, who during the year preceding that in which the nominations are being made, shipped watermelons from points within the State of North Carolina; and

(10) Sowega Melon Growers' Association.

Nomination of eight (8) persons for two (2) members and their alternates shall be made by handlers who, during the year preceding that in which the nominations are being made, shipped watermelons from points within the State of Georgia.

The nominees of the producer groups shall be producers of watermelons whose principal business during the year preceding that in which the nominations are being made, was other than the handling of watermelons.

In the year 1936 all nominations shall be submitted to the Secretary within thirty (30) days after the effective date of this order, and in ensuing years all nominations shall be submitted to the Secretary on or before the 20th day of March of the year in which members of the control committee are to be selected.

4. Nominees for members of the control committee and their alternates shall be selected by the above-designated groups in the following manner:

(1) *Producer Nominations.*—The control committee shall cause to be held in the year 1936 within fifteen (15) days after the effective date of this order and in ensuing years, not less than twenty (20) days prior to the expiration of the terms of office of the members of the control committee and their alternates, in each watermelon-producing county which lies within a district, a meeting of the producers who during the preceding year produced watermelons in such county. Each such meeting shall select its chairman and secretary. At each such meeting a delegate shall be selected, by the producers present, to attend a meeting of all the delegates elected within such district, at a time and place designated by the control committee. The chairman of the county meeting shall publicly announce at such meeting the total number of votes cast and the name of the person selected as delegate, and the chairman and secretary of such meeting shall forthwith transmit to the control committee, or such person as the control committee may designate, their certificate as to the number of votes so cast and announced and the name of the delegate selected. The control committee shall cause a meeting of the delegates selected in the counties of each district to be held within the respective districts, in the year 1936 within twenty-five (25) days after the effective date of this order and in ensuing years, not less than fifteen (15) days prior to the expiration of the terms of office of the members of the control committee and their alternates. At such district meeting the delegates present shall select a chairman and secretary and the nominees for their respective district representatives on the control committee. In the selection of nominees each delegate shall be entitled to cast one (1) vote for each producer voting at the meeting at which such delegate was selected. The chairman and secretary of each district meeting shall forthwith certify to the control committee, or such person as it may designate, the nominees selected at such district meeting, and the control committee, or such person as it may designate, shall forthwith certify such nominations to the Secretary.

(2) *Handler Nominations.*—The control committee shall give notice to each person known to have handled watermelons during the preceding year, in the year 1936 within fifteen (15) days after the effective date of this order and in ensuing years, not less than twenty (20) days prior to the expiration of the terms of office of the members of the control committee and their alternates, of the right of such person to participate in making nominations for members of the control committee and their alternates in each State where such person has handled watermelons during the preceding year. Such notice may be given by mail or by public notice in a newspaper of general circulation in each district or in a trade paper of general circulation in

each district or in a trade paper of general circulation among handlers. The voting of handlers shall be by mail and such votes shall be received by the control committee not later than a date specified in said notice. Each such handler shall be entitled to cast one (1) vote for each handler nominee, as hereinabove in this article provided, and in each State wherein he has handled watermelons during the preceding year. The control committee shall, at the specified time, immediately canvass the votes received and shall certify to the Secretary the names of the four (4) persons receiving the highest number of votes for nominees for members and alternates on the control committee of the handlers in Florida, North Carolina, and South Carolina, respectively, and the names of the eight (8) persons receiving the highest number of votes for nominees as members and alternates on the control committee of the handlers in Georgia.

(3) The secretary of the Sowega Melon Growers' Association shall certify to the Secretary the nominees of that association as determined by the directors thereof.

5. Members of the control committee and their respective alternates, subsequent to those hereinabove designated and those selected in the year 1936, shall be selected annually for a term of one (1) year, beginning with the first Monday in April, and shall serve until their respective successors shall be selected and shall be qualified. Any person selected as a successor of a member or alternate of the control committee shall qualify by filing a written acceptance of his appointment with the Secretary or his designated representative.

6. An alternate for a member of the control committee shall act in the place and stead of such member (1) in his absence or (2) in the event of his removal, resignation, or disqualification.

7. In the event of the removal, resignation, or disqualification of any member or his alternate, a successor for the unexpired term of such member or alternate may be selected by the Secretary.

8. The members of the control committee and their alternates shall serve without compensation, but shall be allowed their necessary expenses.

9. The members of the control committee shall select a chairman from their membership, and all communications from the Secretary to the committee may be addressed to the chairman at such address as may, from time to time, be filed with the Secretary. The committee shall select such other officers and adopt such rules for the conduct of its business as it may deem advisable. The committee shall give to the Secretary, or his designated agent or representative, the same notice of meetings of the control committee as is given to members of the committee.

Sec. 2. *Powers.*—The control committee shall have power:

- (1) To administer, as hereinafter specifically provided, the terms and provisions hereof;
- (2) To make, in accordance with the provisions hereinafter contained, administrative rules and regulations;
- (3) To receive, investigate, and report to the Secretary complaints of violations of this order; and
- (4) To recommend to the Secretary amendments to this order.

Sec. 3. *Duties.*—It shall be the duty of the control committee:

- (1) To act as intermediary between the Secretary and any handler;
- (2) To keep minute books and records which will clearly reflect all of its acts and transactions, and such minute books and records shall, at any time, be subject to the examination of the Secretary;
- (3) To furnish the Secretary such available information as he may request;
- (4) To appoint such employees as it may deem necessary, and to determine the salaries and define the duties of such employees;
- (5) To perform such duties in connection with the administration of section 32 of the Act to Amend the Agricultural Adjustment Act, and For Other Purposes, Public No. 320, approved by the President, August 24, 1935, as amended, as



may from time to time be assigned to it by the Secretary; and

(6) To summon, when and if the control committee deems it advisable, the alternates to sit with the control committee in an advisory capacity.

**Sec. 4. Procedure.**—1. All decisions of the control committee, except where otherwise specifically provided, shall be by a majority vote of the members who have qualified by filing their written acceptance and who are eligible to vote.

2. The control committee may provide for voting by mail or telegram upon due notice to all members eligible to vote on the proposition, and when any proposition is submitted for voting by such method, two (2) dissenting votes shall prevent its adoption until submitted to a meeting of the control committee.

3. The members of the control committee (including successors and alternates), and any agent or employee appointed or employed by the control committee, shall be subject to removal or suspension by the Secretary at any time. Each and every order, regulation, decision, determination, or other act of the control committee shall be subject to the continuing right of the Secretary to disapprove of the same at any time and upon his disapproval shall be deemed null and void, except as to acts done in reliance thereon or in compliance therewith.

**Sec. 5. Funds.**—All funds received by the control committee pursuant to any provision of this order shall be used solely for the purposes herein specified and shall be accounted for in the following manner:

(1) The Secretary may, at any time, require the control committee and its members to account for all receipts and disbursements.

(2) Upon the removal or expiration of the term of office of any member of the control committee, such member shall account for all receipts and disbursements and deliver all property and funds in his hands, together with all books and records in his possession, to his successor in office, and shall execute such assignments and other instruments as may be necessary or appropriate to vest in such successor full title to all of the property, funds and/or claims vested in such member pursuant to this order.

#### ARTICLE III. REGULATION OF SHIPMENTS

**SECTION 1. Secretary may regulate.**—The Secretary may regulate the total quantity of watermelons or of any grade and/or of any size thereof (produced during the year in which such regulation may be in effect) which may be shipped from a point within the Southeastern States to any market outside of such states during any specified period by all handlers thereof by (1) limiting the grade and/or size of such watermelons which may be shipped from points within the Southeastern States to points outside the Southeastern States, but any such limitation by grade shall be based upon the grades defined in the standards for watermelons of the United States Department of Agriculture; and/or (2) providing that, for specified periods, not exceeding forty-eight (48) hours in length, no such watermelons shall be shipped from points within the Southeastern States to any markets outside of said Southeastern States, but not less than five days shall elapse between any such specified periods.

**Sec. 2. Recommendation by Control Committee.**—1. The control committee, after consideration of—

- (1) the current price received by producers;
- (2) the total quantity of watermelons available for shipment during the proposed period of limitation;
- (3) the proportion of various grades and sizes available during such period;
- (4) the track holdings and unloads of watermelons in the terminal markets and the quantity in transit; and
- (5) the general market conditions prevailing as reflected in current prices, received at terminal markets, and other pertinent market factors;

may make its recommendation to the Secretary for the establishment by the Secretary, for such period as may be deemed necessary, of the regulation, by either or both of the methods set out in section 1 of this article, of the shipment of watermelons. Such recommendation shall be accompanied by such data as the Secretary may request.

2. Only those members of the control committee who represent districts in which watermelons will be available and are intended to be shipped during the proposed limitation period, shall be qualified to vote on the recommendation of the proposed regulation of shipments. The Sowega Melon Growers' Association representative shall be qualified to vote when that association will have watermelons available, and which it intends to ship during the proposed limitation period. An affirmative vote of two-thirds (computed to the nearest number) of the control committee members qualified to vote thereon, shall be necessary for the adoption of the recommendation.

**Sec. 3. Regulation issued by Secretary.**—Upon receipt of such recommendation, the Secretary shall determine whether the proposed regulation will tend to effectuate the purposes of this order, and, if he determines that the proposed regulation will have such effect, he may declare such regulation effective, for such period of time as he may fix, in conformity to the provisions of section 1 of this article.

**Sec. 4. Compliance with Regulation.**—No handler shall ship any melons in violation of a regulation of shipments established as herein provided.

**Sec. 5. Notice.**—The Control Committee shall give notice of any regulation of shipments established by the Secretary at least thirty (30) hours before the time such regulation becomes effective, by issuing a press release, posting a notice in the office of the control committee, and/or by such other available means as the control committee deems necessary to give producers and handlers immediate information of such order.

**Sec. 6. Exemptions.**—When the percentage of any producer's watermelons available and intended for shipment during any period when a limitation of shipments by grade and/or size is in effect, which may be shipped under such limitation, is below the average percentage of all producers' watermelons within the area covered by this order available and intended for shipment during such period and which may be shipped under such limitations, such producer may make application to the control committee for a certificate of exemption. Upon receipt of such application, the control committee shall cause an investigation to be made and shall report to the Secretary the results thereof and its recommendation as to the granting of an exemption and the extent thereof. If the Secretary, after such investigation as he deems necessary, determines that such producer is eligible for an exemption under the provisions of this section, he may direct the control committee to issue its certificate authorizing the shipment or sale for shipment by such producer, of the quantity of watermelons, of grades and/or sizes barred from shipment by the aforesaid limitation, specified in such certificate, which quantity shall be such as to allow such producer to ship, or sell for shipment, no greater percentage of watermelons, produced by him, than the average percentage of watermelons which may be shipped under the aforesaid limitation. The certificate shall also state the period of time, as directed by the Secretary, during which such exemption shall be in effect. No handler shall ship such exempted watermelons without having first endorsed on such certificate the quantity of each grade and/or size of such watermelons shipped; the time of such endorsement, and by whom the endorsement is made. No handler shall make an endorsement on such certificate which will make the total quantity indicated by all endorsements thereon greater than the quantity exempted under such certificate and no handler shall make an endorsement on such certificate after the period of time for which such exemption is in effect.

**Sec. 7. Inspection and Certification.**—During any limitation period each handler of watermelons shipped from the Southeastern States shall cause to be filed with the control committee a Federal-State inspection certificate showing the



grade and/or size of the watermelons contained in each shipment made by him. Inspectors in the employ of associations of producers or loading associations, as well as other inspectors who are properly qualified may be accredited by the control committee. Regulations governing the accrediting of inspectors shall from time to time be made by the control committee, subject to the approval of the Secretary.

Sec. 8. *Method of Shipment.*—No person shall ship watermelons in the name of another person without having first obtained the consent, in writing, of such other person to so ship such melons.

#### ARTICLE IV. EXPENSES

##### SECTION 1. *Assessment and Collection of Expenses.*—

1. Each handler shall pay to the control committee such handler's pro rata share as is approved by the Secretary of the expenses in the amount of eighteen thousand five hundred dollars (\$18,500.00), (which amount the Secretary has found will necessarily be incurred by the control committee during the year ending March 31, 1937), or expenses in such other amount as the Secretary may later find will necessarily be incurred by the control committee during said year, for the maintenance and functioning of the control committee during said year as set forth in this order. The pro rata share of each handler shall be one dollar (\$1.00) for each car load, or its equivalent, handled by said handler, and said pro rata share shall be adjusted from time to time by the control committee, with the approval of the Secretary, in order to provide funds sufficient in amount to cover any finding by the Secretary of estimated expenses or the actual expenses of the control committee during said year.

Subsequent to March 31, 1937, each handler shall pay to the control committee such handler's pro rata share (as approved by the Secretary) of such expenses as the Secretary may find will necessarily be incurred by the control committee, during any period specified by the Secretary, for the maintenance and functioning of the control committee. The pro rata share of the expenses payable by a cooperative association of producers shall be computed on the basis of the quantity of watermelons covered by this order which is handled by such cooperative associations of producers.

2. The control committee shall, from time to time, transmit to the Secretary, for his consideration, a budget of the expenses which will necessarily be incurred by it, together with such data in reference thereto as the Secretary may direct.

3. The control committee may, with the approval of the Secretary, maintain in its own name or in the names of its members a suit against any handler signatory hereto for the collection of such handler's pro rata share of expenses.

#### ARTICLE V. REPORTS

SECTION 1. *Reports.*—Upon the request of the control committee, made with the approval of the Secretary, every handler shall furnish the control committee, in such manner and at such times as it prescribes, such information as it deems necessary to enable it to perform its powers and duties under this order.

#### ARTICLE VI. LIABILITY OF CONTROL COMMITTEE MEMBERS

SECTION 1. *Liability.*—No member of the control committee, nor any employee thereof, shall be held liable individually, in any way whatsoever, to any party hereto or any other person for errors in judgment, mistakes, or other acts, either of commission or omission as such member or employee except for acts of dishonesty.

#### ARTICLE VII. SEPARABILITY

SECTION 1. *Separability.*—If any provision of this order is declared invalid, or the applicability thereof to any person, circumstance, or thing is held invalid, the validity of the remainder of this order and/or the applicability thereof to any other person, circumstance, or thing shall not be affected thereby.

#### ARTICLE VIII. DEROGATION

SECTION 1. *Derogation.*—Nothing contained in this order is, or shall be construed to be, in derogation or in modification

of the rights of the Secretary or of the United States, (1) to exercise any powers granted by the act, or otherwise, and/or (2) in accordance with such powers to act in the premises whenever such action is deemed advisable.

#### ARTICLE IX. AMENDMENTS

SECTION 1. *Proposals.*—Amendments to this order may from time to time be proposed by the control committee.

#### ARTICLE X. DURATION OF IMMUNITIES

SECTION 1. *Duration of Immunities.*—The benefits, privileges, and immunities conferred by virtue of this order shall cease upon its termination, except with respect to acts done under and during the existence of this order.

#### ARTICLE XI. AGENTS

SECTION 1. *Agents.*—The Secretary may, by designation in writing, name any person, including any officer or employee of the Government, or name any bureau or division in the Department of Agriculture, to act as his agent or representative in connection with any of the provisions of this order.

#### ARTICLE XII. EFFECTIVE TIME AND TERMINATION

SECTION 1. *Effective time.*—This order shall become effective at such time as the Secretary may declare above his signature attached hereto, and shall continue in force until terminated in one of the ways hereinafter specified.

Sec. 2. *Termination.*—1. The Secretary may at any time terminate this order by giving at least one day's notice by means of a press release or in any other manner which the Secretary may determine.

2. The Secretary shall terminate or suspend the operation of this order, or of any provision thereof, whenever he finds that said order, or such provision thereof, obstructs or does not tend to effectuate the declared policy of the act.

3. The Secretary shall terminate this order at the end of any crop year whenever he finds that such termination is favored by a majority of the producers of watermelons who, during the preceding crop year, have been engaged in the production for market of watermelons in the Southeastern States, provided that such majority have, during such period, produced for market more than fifty percent of the volume of such watermelons produced for market, but such termination shall be effective only if announced on or before July 1.

4. This order shall in any event terminate whenever the provisions of the act authorizing it cease to be in effect.

Sec. 3. *Proceedings after Termination.*—1. Upon the termination of this order, the members of the control committee then functioning shall continue as joint trustees for the purpose of receiving and collecting all funds and property of the control committee, and all funds due or property to be delivered to the control committee; disposing of all assets and property of said committee; satisfying or settling all indebtedness of the committee; and distributing any funds remaining in its hands, after the payment of its expenses, in such equitable manner as may be approved by the Secretary. Said trustees (a) shall continue in such capacity until discharged by the Secretary; (b) shall from time to time account for all receipts and disbursements and/or deliver all funds and property on hand, together with all books and records of the control committee and the joint trustees, to such person or persons as the Secretary shall direct; and (c) shall, upon the request of the Secretary, execute such assignments or other instruments necessary or appropriate to vest in such person or persons full title to all of the property, funds, and/or claims vested in the control committee or the joint trustees, pursuant to this order. Each and every order, determination, decision, or other act of such joint trustees shall be by a two-thirds vote thereof.

2. Any person to whom funds, property, and/or claims have been delivered by the control committee or its members, upon direction of the Secretary as herein provided, shall be subject to the same obligations and duties with respect to said funds, property, and/or claims as are hereinabove imposed upon the members of the said committee or upon said joint trustees.



In witness whereof, the Secretary of Agriculture does hereby execute in duplicate, and issue this order in the city of Washington, District of Columbia, this 8th day of May 1936, and pursuant to the provisions hereof, declares this order to be effective on and after 12:01 a. m., Eastern Standard Time, May 12, 1936.

[SEAL]

H. A. WALLACE,  
Secretary of Agriculture.

[Filed, May 8, 1936; 4:23 p. m.]

NOTICE OF HEARING WITH RESPECT TO A PROPOSED MARKETING AGREEMENT REGULATING THE HANDLING OF MILK IN THE TOPEKA, KANSAS, MARKETING AREA

[Docket No. A-26]

Whereas, under the Agricultural Adjustment Act, as amended, notice of hearing is required in connection with a proposed marketing agreement, and the General Regulations, Series A, No. 1, as amended, of the United States Department of Agriculture, Agricultural Adjustment Administration, provide for such notice; and

Whereas, the Secretary of Agriculture has reason to believe that the execution of a marketing agreement will tend to effectuate the declared policy of Title I of the Agricultural Adjustment Act, as amended, with respect to milk handled in the Topeka, Kansas, Marketing Area;

Now, therefore, pursuant to the said act and said general regulations, notice is hereby given of a hearing on a proposed marketing agreement regulating the handling of milk in the Topeka, Kansas, Marketing Area, to be held in the commissioner's room, City Building, Topeka, Kansas, on the 27th day of May 1936 at 9:30 a. m., C. S. T.

This public hearing is for the purpose of receiving evidence as to the general economic conditions which may necessitate regulation in order to effectuate the declared policy of the act and as to the specific provisions which a marketing agreement should contain.

The proposed marketing agreement embodies a plan for the regulation of such handling of milk in the Topeka, Kansas, Marketing Area as is in the current of interstate commerce, or which directly burdens, obstructs, or affects interstate commerce in such milk. Among other things, the proposed marketing agreement provides for: (a) selection of a market administrator; (b) classification of milk; (c) minimum prices; (d) payments to handlers through a market wide equalization pool and a base rating scheme; (e) reports of handlers; (f) deductions from payments to producers for marketing services by the market administrator; and (g) expense of administration.

Copies of the proposed marketing agreement may be inspected in or procured from the Office of the Hearing Clerk, Room 4725, South Building, United States Department of Agriculture, Washington, D. C.

[SEAL]

H. A. WALLACE,  
Secretary of Agriculture.

Dated: MAY 11, 1936.  
Washington, D. C.

[Filed, May 11, 1936; 12:48 p. m.]

Forest Service.

CHEROKEE NATIONAL FOREST—TENNESSEE  
NATIONAL GAME REFUGE No. 1

FISHING REGULATION

By virtue of the authority vested in the Secretary of Agriculture by the Act of Congress of August 11, 1916 (39 Stat. 476), Sec. 683, Title 16, U. S. Code, I, W. R. Gregg, Acting Secretary of Agriculture, do make and publish the following regulation governing fishing within National Game Refuge No. 1 in the Cherokee National Forest, Tennessee:

Fishing is hereby authorized within National Game Refuge No. 1, Cherokee National Forest, Tennessee, under permits issued by the Supervisor of the Cherokee National Forest, in accordance with instructions received by him from the Chief of the Forest Service, Washington, D. C., which permits shall

state the place and time of fishing, the fee, and the number and size of fish that may be taken.

In witness whereof, I have hereunto set my hand at Washington, D. C., this 9th day of May 1936.

[SEAL]

W. R. GREGG,  
Acting Secretary of Agriculture.

[Filed, May 11, 1936; 12:49 p. m.]

CHEROKEE NATIONAL FOREST—GEORGIA  
NATIONAL GAME REFUGE No. 2

FISHING REGULATION

By virtue of the authority vested in the Secretary of Agriculture by the Act of Congress of August 11, 1916 (39 Stat. 476), Sec. 683, Title 16, U. S. Code, I, W. R. Gregg, Acting Secretary of Agriculture, do make and publish the following regulation governing fishing within National Game Refuge No. 2 in the Cherokee National Forest, Georgia.

Fishing is hereby authorized within National Game Refuge No. 2, Cherokee National Forest, Georgia, under permits issued by the Supervisor of the Cherokee National Forest, in accordance with instructions received by him from the Chief of the Forest Service, Washington, D. C., which permits shall state the place and time of fishing and the number and size of fish that may be taken.

In witness whereof, I have hereunto set my hand at Washington, D. C., this 9th day of May 1936.

[SEAL]

W. R. GREGG,  
Acting Secretary of Agriculture.

[Filed, May 11, 1936; 12:49 p. m.]

FEDERAL POWER COMMISSION.

ORDER No. 39

[Adopted May 5, 1936]

RULE GOVERNING APPLICATIONS UNDER SECTION 202 (b), PART II OF THE FEDERAL POWER ACT, FOR AN ORDER DIRECTING THE ESTABLISHMENT OF PHYSICAL CONNECTION OF FACILITIES

The Commission, finding it necessary and appropriate for carrying out the provisions of the Federal Power Act and pursuant to the authority vested in it by Section 309 thereof, hereby adopts the following rule governing applications under Section 202 (b) of said Act, for an order directing the establishment of physical connection of facilities, to be effective from this date until the further order of the Commission.

1. *Contents of application.*—Applications under Section 202 (b), Part II of the Federal Power Act, for an order directing a public utility to establish physical connection of its transmission facilities with the facilities of one or more other persons engaged in the transmission or sale of electric energy, shall set forth the following information:

(a) The exact legal name of the applicant and of all persons named as parties in the application.

(b) The name, title, and post-office address of the persons to whom correspondence in regard to the application shall be addressed.

(c) The person named in the application who is a public utility subject to the Act.

(d) The State or States in which each utility operates, together with a brief description of the business of and territory served by each utility.

(e) Description of the proposed interconnection, showing proposed location, capacity, and type of construction.

(f) Reasons why the proposed connection of facilities will be in the public interest.

(g) What steps, if any, have been taken to secure voluntary interconnection under the provisions of Section 202 (a).

2. *Required exhibits.*—There shall be filed with the application and as a part thereof the following exhibits:

(a) Statement of the estimated capital cost of all facilities required to establish the connection, and the estimated annual cost of operating such facilities.



(b) A general or key map on a scale not greater than 20 miles to the inch showing in separate colors the territory served by each utility, and the location of the facilities used for the generation and transmission of electric energy, indicating on said map the points between which connection may be established most economically.

3. *Other information.*—The Commission may require additional information when it appears to be pertinent in a particular case.

4. *Form and style—number of copies.*—Applications under this rule must conform to the requirements of Rules VIII and IX, Rules of Practice, adopted October 2, 1935, except that four copies of the application and exhibits or other papers filed are required.

Adopted by the Commission on May 5, 1936.

[SEAL]

LEON M. FUQUAY,  
Acting Secretary.

[Filed, May 11, 1936; 9:15 a. m.]

#### ORDER NO. 40

[Adopted May 5, 1936]

#### RULE GOVERNING CONNECTIONS OF FACILITIES FOR EMERGENCY USE UNDER SECTION 202 (D), PART II, OF THE FEDERAL POWER ACT

The Commission, finding it necessary and appropriate for carrying out the provisions of the Federal Power Act and pursuant to the authority vested in it by Section 309 thereof, hereby adopts the following rule governing connections of facilities for emergency use under Section 202 (d) of said Act, to be effective from this date until the further order of the Commission.

1. *Definition of Emergency.*—"Emergency", as used in Section 202 (d), Part II of the Federal Power Act, is defined to mean the failure of facilities for the generation or transmission of electric energy caused by breakdown, weather conditions, acts of God, or other unforeseen occurrences, not reasonably within the power of the utility affected to prevent, resulting in the cutting off or curtailment of the electric service, or rendering such utility unable to provide adequate service for its customers.

2. *Reports of temporary connections.*—When, due to an emergency as defined in this rule, temporary connections of transmission facilities are made, all persons whose transmission facilities are thus temporarily interconnected shall give written notice thereof to the Commission within fifteen (15) days from the date when such temporary connections were made, and state in said notice the reason for such temporary connections and the location and character of each interconnection. Likewise, a written notice shall be given by such parties to the Commission of the fact and date of discontinuance of such temporary connections within fifteen (15) days after the discontinuance. In cases where temporary connections are continued for more than ten (10) days, or temporary reconstructions are made, reports shall thereafter be made to the Commission at the end of each week as to: (a) the location and character of each interconnection being maintained; (b) the amount of electrical energy received and transmitted over each interconnection during each day of the week, and the consideration received or paid therefor; and (c) what steps have been taken or are being taken to relieve the conditions that made the emergency connection necessary. All such temporary emergency connections shall be discontinued and all temporary construction removed or otherwise disposed of upon the termination of the emergency unless application is made as hereinafter provided for permanent connection for emergency use.

3. *Applications for permanent connections for emergency use.*—Applications for Commission approval of permanent connections for emergency use only shall conform with the requirements of Order No. 39, and, in addition, shall state in full the reasons why such permanent connections for emergency use are necessary in the public interest.

4. *Reports of emergency use of permanent connections.*—Where the Commission has authorized permanent connec-

tions for emergency use only, weekly reports shall be made to the Commission of any emergency use of such facilities showing: (a) the location of each interconnection in service; (b) the date such use commenced and ended; (c) full facts and details making the use of the interconnection necessary; (d) the amount of electrical energy received and transmitted over each interconnection during each day of the week and the consideration received or paid therefor; and (e) what steps have been taken or are being taken to relieve the condition that made the emergency use of the connection necessary.

Adopted by the Commission on May 5, 1936.

[SEAL]

LEON M. FUQUAY,  
Acting Secretary.

[Filed, May 11, 1936; 9:16 a. m.]

#### FEDERAL TRADE COMMISSION.

##### United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 7th day of May A. D. 1936.

Commissioners: Charles H. March, Chairman; Garland S. Ferguson, Jr., Ewin L. Davis, William A. Ayres, Robert E. Freer.

Docket No. 2729

##### IN THE MATTER OF E. F. AGEE

##### ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony.

It is ordered that John J. Keenan, an examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered that the taking of testimony in this proceeding begin on Monday, May eighteenth, 1936, at ten o'clock in the forenoon of that day, in North Court Room, third floor, Post Office Building, Omaha, Nebraska.

Upon completion of testimony for the Federal Trade Commission, the examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The examiner will then close the case and make his report.

By the Commission.

[SEAL]

OTIS B. JOHNSON, Secretary.

[Filed, May 11, 1936; 10:51 a. m.]

##### United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 7th day of May, A. D. 1936.

Commissioners: Charles H. March, Chairman; Garland S. Ferguson, Jr., Ewin L. Davis, William A. Ayres, Robert E. Freer.

Docket No. 2736

##### IN THE MATTER OF CAPON WATER COMPANY, A CORPORATION, ET AL.

##### ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony.

It is ordered that Joseph A. Simpson, an examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law.

It is further ordered that the taking of testimony in this proceeding begin on Wednesday, May 20, 1936, at ten o'clock in the forenoon of that day, at Room 424, 815 Connecticut Avenue NW., Washington, D. C.



Upon completion of testimony for the Federal Trade Commission, the Examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The examiner will then close the case and make his report. By the Commission.

[SEAL]

OTIS B. JOHNSON, *Secretary.*

[Filed, May 11, 1936; 10:51 a. m.]

## INTERSTATE COMMERCE COMMISSION.

### ORDER

At a Session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 6th day of May, A. D. 1936.

Docket No. BMC-F-35

IN THE MATTER OF THE APPLICATION OF H. E. ENGLISH, D/E/A RED BALL MOTOR FREIGHT LINES, FOR AUTHORITY, UNDER SECTION 213, MOTOR CARRIER ACT, 1935, TO PURCHASE (A) PART OF PROPERTIES AND CERTIFICATE OF YELLOW CAB TRANSIT COMPANY, AND (B) CAPITAL STOCK OF MOTORWAY FREIGHT LINES, INC.

*It appearing,* That the above entitled matter is one which the Commission is authorized by the Motor Carrier Act, 1935 to refer to an examiner;

*It is ordered,* That the above-entitled matter be, and it is hereby, referred to Examiner John S. Higgins, for hearing and for the recommendation of an appropriate order thereon, to be accompanied by the reasons therefor;

*It is further ordered,* That this matter be set down for hearing before Examiner John S. Higgins, at 9 o'clock, a. m. (standard time), May 21, 1936, at the Baker Hotel, Dallas, Tex.,

*And it is further ordered,* That notice of this proceeding be duly given.

By the Commission, division 5.

[SEAL]

GEORGE B. MCGINTY, *Secretary.*

[Filed, May 8, 1936; 3:26 p. m.]

## SECURITIES AND EXCHANGE COMMISSION.

*United States of America—Before the Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 11th day of May A. D. 1936.

Commissioners: James M. Landis, Chairman; George C. Mathews, Robert E. Healy, J. D. Ross, William O. Douglas.

File No. 32-18

IN THE MATTER OF THE APPLICATION OF THE NARRAGANSETT ELECTRIC COMPANY

NOTICE AND ORDER AUTHORIZING HEARING AND DESIGNATING OFFICER TO CONDUCT PROCEEDINGS

An application, pursuant to Section 6 (b) of the Public Utility Holding Company Act of 1935, having been filed with this Commission by The Narragansett Electric Company to exempt from the provisions of Section 6 (a) the issue and sale of the following securities:

\$34,000,000 principal amount of three-year notes bearing interest at not more than 3% per annum to be issued to certain banks.

The funds from said notes to be used for redemption of outstanding bonds of the applicant in the amount of \$33,155,500 exclusive of bonds held in the treasury.

It is ordered that the matter be set down for hearing on the 28th day of May 1936, at 10 o'clock A. M., at the Securities and Exchange Building, 1778 Pennsylvania Avenue NW., Washington, D. C., and

It is further ordered that Charles S. Moore, an officer of the Commission, be, and he hereby is, designated to preside at such hearing and is authorized to adjourn said hearing from

time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law; and

It is further ordered that any interested state, state commission, state securities commission, municipality, or other political subdivision of a state, or any representative of interested consumers or security holders, or any other person, desiring to be admitted as a party in this proceeding or to offer evidence in this matter, shall give notice of such intention to the Commission. It is requested that all such notices shall be delivered to the Commission by mail or telegraph not later than May 23, 1936.

Upon the completion of the taking of testimony in this matter, the officer conducting said hearing is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary.*

[Filed, May 11, 1936; 12:32 p. m.]

## EXECUTIVE ORDER

REGULATIONS GOVERNING THE PREPARATION, PRESENTATION, FILING, AND DISTRIBUTION OF EXECUTIVE ORDERS AND PROCLAMATIONS

By virtue of and pursuant to the authority vested in me by the Federal Register Act, approved July 26, 1935 (49 Stat. 500), and as President of the United States, I hereby prescribe the following regulations governing the preparation, presentation, filing, and distribution of Executive orders and proclamations:

1. Proposed Executive orders and proclamations shall be prepared in accordance with the following requirements:

(a) A suitable title for the order or proclamation shall be provided.

(b) The authority under which the order or proclamation is promulgated shall be cited in the body thereof.

(c) Punctuation, capitalization, orthography, and other matters of style shall conform to the most recent edition of the Style Manual of the United States Government Printing Office.

(d) The spelling of geographic names shall conform to the most recent official decisions made pursuant to Executive Orders No. 27-A, of September 4, 1890, No. 399, of January 23, 1906, and No. 6680, of April 17, 1934.

(e) Descriptions of tracts of lands shall conform, so far as practicable, with the most recent edition of the Specifications for Descriptions of Tracts of Land for Use in Executive Orders and Proclamations, published by the Federal Board of Surveys and Maps.

(f) Proposed Executive orders and proclamations shall be typewritten on paper approximately 8 by 12½ inches, shall have a left-hand margin of approximately 2 inches and a right-hand margin of approximately 1 inch, and shall be double-spaced, except that quotations, tabulations, or descriptions of land may be single-spaced.

2. The proposed Executive order or proclamation shall first be submitted to the Director of the Bureau of the Budget. If the Director of the Bureau of the Budget approves it, he shall transmit it to the Attorney General for his consideration as to both form and legality. If the Attorney General approves it, he shall transmit it to the Director of the Division of the Federal Register, the National Archives. If it conforms to the requirements of paragraph 1 hereof, the Director of the Division of the Federal Register shall transmit it and three copies thereof to the President. If it is disapproved by the Director of the Bureau of the Budget or the Attorney General, it shall not thereafter be presented to the President unless it is accompanied by the statement of the reasons for such disapproval.

3. If the order or proclamation is signed by the President, the original and two copies thereof shall be forwarded



to the Director of the Division of the Federal Register for appropriate action in conformity with the provisions of the Federal Register Act: *Provided, however,* That the seal of the United States shall be affixed to the originals of all proclamations prior to such forwarding. The Division of the Federal Register shall cause to be placed upon the copies of all Executive orders and proclamations the following notation, to be signed by the Director or by some person authorized by him: "Certified to be a true copy of the original." The Division of the Federal Register shall number and shall supervise the promulgation, publication, and distribution of all Executive orders and proclamations.

4. The Division of the Federal Register shall cause a limited number of copies of the Executive orders and proclamations not required or authorized to be filed and published under the provisions of the Federal Register Act to be made available in slip form to the appropriate agencies of the Government.

5. The Division of the Federal Register shall file in the National Archives the originals of all Executive orders and proclamations.

6. The signed originals and copies of all Executive orders and proclamations heretofore promulgated and now in the custody of the Department of State shall be transferred to the National Archives.

7. Nothing in this order shall be construed to apply to treaties, conventions, protocols, and other international agreements, or proclamations thereof by the President.

8. This order shall become effective on March 12, 1936, and shall thereupon supersede Executive Order No. 6247, of August 10, 1933.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,

February 18, 1936.

[No. 7298]